

INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

No. 29,871

PARIS, MONDAY, FEBRUARY 26, 1979

Established 1887

Carter May Invite Begin and Khalil To Peace Summit

By Fred Farris

WASHINGTON, Feb. 25 (IHT) — President Carter said today that the United States was discussing with Egypt and Israel reconvening the Middle East summit conference at Camp David later this week in an effort to break the deadlock in the peace talks between those countries.

Mr. Carter, after meeting for an hour with Israeli and Egyptian negotiators who have recessed the day-long peace talks at Camp David, said that he would ask Prime Minister Menachem Begin of Israel and Premier Mustapha Khalil of Egypt to attend.

"I am prepared to spare no effort in achieving the peace settlement between the two nations," Mr. Carter said. "The other two parties in these negotiations share this determination."

"We are discussing with the two governments the possibility of moving the negotiations to the head-of-government level later this week," he added.

Mr. Carter, reading a statement read to by all parties, would not answer any questions, nor would a White House spokesman comment on why President Anwar Sadat of Egypt was not invited. Mr. Carter did, however, that Mr. Khalil was invited to represent Mr. Sadat, and was speculation here that Mr. Sadat was unwilling to offer further concessions and may have wanted to attend.

Mr. Carter said two weeks ago that he would "consider favorably" holding another summit meeting at Camp David if the ministerial negotiators could not reach a final

accord, yet demonstrated that their leaders had "adequate flexibility and desire" to achieve a peace agreement.

There was no immediate indication whether the negotiations of the last week had made any significant progress on the unresolved issues. But if Mr. Carter adhered to his formula for calling another summit meeting, today's announcement would suggest there had been some progress.

Mr. Khalil and Foreign Minister Moshe Dayan of Israel, who attended the latest discussions here, are to return home to report to their governments. Mr. Khalil is expected to fly to Cairo late today. Mr. Dayan was planning to fly to Jerusalem where a special Cabinet meeting is scheduled Tuesday to hear his report on the talks.

In Jerusalem, a spokesman for Mr. Begin said that the prime minister will respond to President Carter's invitation after the message arrives in writing. Mr. Begin's aides seemed confused that although the prime minister and Mr. Khalil would be invited, Mr. Sadat would not attend.

An inkling of what the United States has proposed to the two sides to reach a settlement was given today in Egypt by the semi-official newspaper Al-Ahram. It said that the United States had offered a proposal dealing with the future of the 1.1 million Palestinian Arabs living on the West Bank of the Jordan River and in Gaza, both held by Israel.

The newspaper said that after discussing the various proposals, (Continued on Page 2, Col. 8)



The first Chinese prisoners of war to be publicly displayed by the Vietnamese are paraded before foreign newsmen at Pho Lu regional military headquarters 12 miles south of the Chinese border.

Washington Reportedly Weighs Sending a Military Force to Gulf

WASHINGTON, Feb. 25 (UPI) — Energy Secretary James Schlesinger said today that the United States is considering establishing a military presence in the Gulf and is ready to discuss the issue with friendly nations there.

Mr. Schlesinger said that Secretary of Defense Harold Brown's recent visit to Saudi Arabia was the start of "the intensification of the U.S. role in preserving stability in the area."

He said any plan to move military forces into the area would have to be flexible and in line with what the affected nations wanted.

Mr. Schlesinger said in an interview on U.S. television that "the United States has vital interests" in the Gulf. "The United States must move in such a way that it protects those interests, even if that involves the use of military strength or of military presence," he said.

No Details Given

Mr. Schlesinger, a former defense secretary, declined to say specifically whether the administration was considering sending troops to the area, but he said some type of manpower would be part of any military presence.

presence is under consideration. That would involve military personnel. Whether it would involve a deployment of troops as the phase goes — which usually refers to combat arms of the ground forces — is another question.

Mr. Brown, appearing on another TV interview program, said the United States would counter Soviet moves "with appropriate action, including military action, where our vital interests are concerned."

Pressed on what would constitute a serious danger, he said, "protection of the oil flow from the Middle East is clearly in our national interests."

Saudi Arabia is reported to be very concerned about the turmoil in Iran and the effect that unrest might have on the rest of the Gulf states.

There also has been strong demand (Continued on Page 2, Col. 6)

Whereabouts Unknown

Bakhtiar Said to Flee Iran; Khomeini Asks Extradition

TEHRAN, Feb. 25 — Iranian revolutionary leader Ayatollah Ruhollah Khomeini said tonight that former Premier Shahpur Bakhtiar had fled abroad and that the new government had sought his extradition.

The ayatollah did not say where Mr. Bakhtiar, who was swept from office during the "battle of Tehran" two weeks ago, had gone.

In a speech broadcast on national radio, he said the 63-year-old former premier, the last appointed by Shah Mohammed Reza Pahlavi, who fled the country Jan. 16, was wanted in Iran to stand trial.

"Mr. Bakhtiar is a criminal. He has ordered the killing of many people and we want him back," Ayatollah Khomeini said. "He is a traitor. We have asked all our friends throughout the world to extradite him and return him."

His statement followed two weeks of uncertainty over Mr. Bakhtiar's status and whereabouts. The government first reported that he had been arrested, then, a week ago, it announced that he was not under arrest and that a search had been launched for him. It was never made clear whether he had been detained and then escaped, or had never been arrested in the first place.

Mr. Bakhtiar was premier for a tumultuous four weeks during which he refused to give in to demands by Ayatollah Khomeini that he resign. He stepped down as street fighting backed the Islamic revolution against the shah swept away the monarchy and his armed forces surrendered.

The official Pars news agency, in a report from Bahrain, quoted a Kuwaiti newspaper as saying that Mr. Bakhtiar is in Morocco, where the shah is in exile. It quoted the newspaper al-Watan as saying that a high-ranking official in the new Iranian government had provided facilities for Mr. Bakhtiar's escape.

Tehran radio reported today that Ayatollah Khomeini met with Soviet Ambassador Vladimir Vinogradov and warned him that Iran will (Continued on Page 2, Col. 7)

From Wire Dispatches

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Iranian leaders expect the Islamic revival to spread through the Arab world. They see the next Islamic revolt in Egypt, Page 5.

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Steelworkers and onlookers in Longwy gather around the wrecked furnace of a metallurgy plant that was raided Saturday during a protest against planned layoffs in the steel industry.

6,500 Layoffs Are Planned

French Steelworkers Send 'SOS' for Jobs

LONGWY, France (IHT) — A 900-foot-high slag heap in grimy Longwy steel town is a sign calling for help: "SOS for jobs, SOS for our jobs!"

So far, there has been no response.

Life here is not pleasant, even in winter. The factories and head conveyor belts are sited against columns of factory smoke reddened by the steady blast of furnaces. Chalk produced by the steel-making process, pits automobiles and cracks the windows of the dreary of narrow company-built streets.

For decades, the 100,000 residents of the Longwy basin have supported only by the steel industry. Now, most believe that face economic extinction as a result of the government plan to unprofitable operations in the owned steel industry.

15,000 Longwy steelworkers, are to lose their jobs, and the effect on the local economy is 40,000.

Nobody Wanted Trouble

A prospect has galvanized the ally steelworkers, largely immigrant into action aiming at turning the cutback plan. For a year, Longwy has been a front town where men with little education and steady tempers could work; Poles first, then Italians, Portuguese, and now Algerians. Nobody wanted trouble. "We are lucky to get 10 percent of the men to come out on strike," Robert Giovannardi, a steelworker and union member here for 15 years, said. "This time we are all out, and all determined to

Despite their calm past, the workers have reacted angrily. Three steel company executives recently were held hostage in their office; when police freed them, the local police station was ransacked. Iron ore imports have been blocked repeatedly. Demonstrators twice have taken over the local television station. Union organizers call these tactics "soft violence," but they warn of more destructive outbursts if desperate workers feel that they have been condemned by the steel companies and the government.

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Barre Political Future Seen at Stake in Steel Dispute

By Joseph Fitchett

PARIS, Feb. 25 (IHT) — As angry French steelworkers challenge government plans for drastic surgery on an ailing industry, the steel confrontation is shaping up as the test case for Prime Minister Raymond Barre's ambitious strategy for modernizing France's industries to make them internationally competitive.

It is also a test for Mr. Barre's political survival. His economic policies — industrial liberalism and nonintervention by government — have come under growing attack here as French unemployment appears headed for a record high. Labor Ministry officials expect 1.5 million persons to be without jobs later this year.

If the Barre government intervenes to protect jobs and subsidize mills in the state-owned steel industry, it will undermine the credibility of the overall "Barre plan," which aims at scrapping unprofitable industrial operations and ending decades of French government protection for jobs.

On the other hand, if the government refuses to order the steel industry to change its plans, it faces the possibility of the steelworkers' protest prompting a widespread revolt against Mr. Barre's policies of austerity. French newspaper commentators warn that the steelworkers' belligerent mood is liable to infect industrial workers

Test Case for French Strategy in Industrial Modernization

in other sectors facing layoffs, such as shipbuilding and textiles.

The steel reforms involve the most sweeping closure of factories ever attempted in France, and the layoffs will cover 23,000 workers — a quarter of the steel work force — by 1980 with additional job losses probably in store by 1983, according to industry sources.

Since the steel companies announced these cutback plans in December, opposition has stiffened in the steel belts in Lorraine and northern France, and the national unions and opposition political parties have joined the steelworkers' demands for a revision of the planned reforms.

The government appears determined to stick to its guns. Government officials predict that the steelworkers eventually will accept the offers of compensation and promises of new jobs.

The outlook is for a protracted, often violent struggle. Police had to use tear-gas yesterday against demonstrating steelworkers armed with Molotov cocktails and iron bars. But the authorities believe that the violence will subside as the steelworkers adjust to the harsh blow to their local industry, and as the trade unions try to channel the bitterness of the rank and file into

bargaining over benefits and guarantees to cushion the layoffs.

The government judges that it cannot afford to make any fundamental concessions over the steel modernization because the issue is central to the government's industrial recovery policy. "Steel is the explosive sector, partly because the change has to be so rapid and the cuts in single-industry pockets like the steel-making basins," an aide involved in the government strategy on steel explained. "But once we have cleared this obstacle, it will open up new ways of thinking about industrial change in France."

A key objective of the Barre government in the steel dispute is to safeguard the principle of investing industrial managers with the authority to make business decisions free of political interference — a major turnaround after 30 years of government controls. The official hands-off policy is considered more apparent than real by many French businessmen, but the Barre government hopes to succeed in setting a convincing precedent for it in the steel industry.

Three-way consultations have begun involving the government, the steel industry and trade unions. But government ministers are refusing to second guess the steel

industry's recovery plan. Instead, they only agree to discuss ways of solving unemployment and other social and regional fallout. Union negotiators will take their complaints about the planned shutdowns and restructuring to the steel managers. But the French unions — lacking the political clout that British unions have because of the link with the Labor Party — appear unlikely to gain a say in industrial policy.

Economic Principle

Mr. Barre's defenders argue that an economic principle is at stake. "Psychologically, French workers have learned the habit of turning to the government for protection whenever something goes wrong," a government economist said. "The Barre government is determined to change this reflex in the sense that the government is not going to interfere with the steel managers' independence to make their own decisions."

The government has a powerful case for change. Affected by the world slump in steel demand, the French steel industry has been operating at only 60 percent of its capacity of 33 million tons a year, government statistics show. Losses in 1977 amounted to nearly \$1 billion, and its debt burden of \$10 billion amounts to more

than its annual sales. Steel subsidies distorted the value of France's industrial output by manufacturing an artificially low price for steel components.

The steel industry, facing bankruptcy last September, got the government to accept a rescue plan whereby the government assumed the industry's debts in exchange for a share of ownership. Management was handed to a new team of government-chosen executives, but they answer to banks and other shareholders, not directly to the government. With the industry restructured into two main steel groups — Usinor and Sacilor, headed by Claude Etcheberry, 55, and Sacilor, headed by Jacques Mayoux — the new management produced plans to salvage a streamlined steel industry.

With smaller capacity (around 25 million tons a year) and a smaller work force, it will have higher productivity and offer more sophisticated, more marketable products, enabling France to compete with West Germany in steel by 1983, Usinor and Sacilor claim. In their view, the surgery on the debt-laden steel industry came just in time to protect its potentially profitable operations and save what could be saved of the whole industry.

Even the French unions agree that (Continued on Page 2, Col. 1)

No Push to Flatlands

China Official Puts A Limit on Invasion

By Fox Butterfield

HONG KONG, Feb. 25 (NYT) — Chinese forces attacking Vietnam will not advance from the mountainous frontier region down toward the populous Red River delta or Hanoi, a ranking Chinese official said tonight.

Wang Chen, a deputy premier in charge of industry, declined to specify how long Chinese troops would stay in Vietnam, but said that China had "no intention" to move into the Vietnamese flatlands, according to Reuters in Peking.

"We are still in the process of teaching Vietnam a good lesson," Mr. Wang said of the fighting, which began Feb. 17. "Our action will be limited in scope and duration," he added. "What we intend to do is defend our border region and safeguard peace in the border region."

Mr. Wang offered his comments at a banquet for Eric Varley, Britain's minister of industry, who is visiting Peking to discuss a trade agreement that might include the sale of Harrier fighters to China. Mr. Wang did not really clarify Peking's aims in the war.

Confined Assault

But, with the pattern of Chinese action on the battlefield during the last few days, his remarks suggested that China intends to confine its assault to a relatively narrow corridor along the frontier. Chinese troops have moved into Vietnam with a series of short thrusts of 5 to 15 miles along much of the 500-mile border and then reportedly have dug in, consolidating their positions and heavily shelling the Vietnamese defenders.

If the Chinese advance no further than this, and there is no way to be certain what they will do, they may be hoping to confront Hanoi with the choice of either settling them by counterattack or of sitting down to negotiate. Either alternative could please Peking, because the Chinese have between 200,000 and 300,000 troops in the frontier region, according to analysts, and would like the chance to engage some main-line Vietnamese divisions that Hanoi has held in reserve.

If Hanoi does not drive the Chinese out, Peking may believe that it has exploded the myth of the Vietnamese army's invincibility and wounded Hanoi's pride.

Vietnam Claims 2,000 Casualties

In the fighting, Vietnam today claimed to have killed or wounded another 2,000 Chinese, bringing the total to 16,000 since the fighting began. Hanoi has claimed 2,000 casualties each day since the incursion began, a number analysts believe is highly exaggerated. Hanoi has given no figures for its own casualties; China has not made any claims at all.

The Vietnamese news agency said today that Vietnamese troops were counterattacking around the provincial capital of Lao Cai on the Red River in the northwestern part of the country. Chinese forces captured Lao Cai in the initial fighting last week. It remained unclear who controlled the three other provincial towns near the border, Lang Son, Cao Bang, and Mong Cai, all of which have been under attack.

Lao Cai, Lang Son, and Cao Bang were once small French colonial border outposts and were the scene of continual fighting in the first Indochina war between the

Viet Minh and France in the late 1940s.

Yesterday, breaking a weeklong silence on the offensive against Vietnam, the Chinese news agency gave the first, fragmentary accounts of the fighting from the Chinese side.

In a dispatch datelined "Yunnan Border Front," the agency said that Chinese troops were across the border

in Vietnam and had captured the provincial capital of Lao Cai. The town, a former French colonial outpost on the railroad from Hanoi to Kunming, the capital of Yunnan, lies on the Red River just across the border from Hanoi in China.

The report said that the Vietnamese government had evacuated (Continued on Page 2, Col. 4)



A Vietnamese militiaman, wounded in the hand and foot by shrapnel from Chinese artillery, is carried from the battlefield near Lao Cai, which was captured by Chinese forces last week.

In Face of Prolonged War

U.S. Reviewing Position In Peking-Hanoi Conflict

By Jim Hoagland

WASHINGTON, Feb. 25 (WP) — Intelligence estimates that the Chinese assault on Vietnam may last for a month or longer instead of a few days are forcing a rapid reassessment of U.S. policy toward that conflict and its impact on détente with the Soviet Union, U.S. officials said.

The continuing escalation of the fighting also is causing Western and Communist bloc diplomats here to ask if the Carter administration will be able to maintain its initial policy stance that the Indochina turmoil does not engage U.S. interests.

A protracted China-Vietnam conflict could greatly exacerbate tensions within the Carter administration, some diplomats feel, by forcing decisions on matters such as West European arms sales to China and final details of a U.S.-Soviet Strategic Arms Limitation Treaty at a time of international crisis.

While emphasizing that their information is sketchy and at times too contradictory to provide a sound basis for prediction, U.S. officials conceded Friday that rapid changes during the preceding 48 hours had generated an intense scrutiny of Chinese and Soviet intentions by worried U.S. policymakers.

Chinese troops have begun establishing hardened fortifications and elaborate supply lines in the zone, 12 miles deep, that they have seized inside Vietnam, and appear to be preparing to push forward rather than pull out, according to U.S. intelligence reports.

The absence of such Chinese preparations as they began the invasion Feb. 17 was cited by U.S. intelligence and military officials as reason for concluding that the Chinese thrust would be a quick, limited assault designed to "punish" Vietnam for border clashes and for invading Cambodia last month.

Estimates circulated within the administration that the Chinese would penetrate six to 12 miles and then turn around after giving the Vietnamese provincial units "a bloody nose."

This assessment was buttressed by Chinese statements to diplomats in Peking that the invasion would be limited in time and scope. On Tuesday, President Carter appeared to be reflecting this assessment when he said in a major policy speech that the United States "will not get involved in conflict between Asian Communist states."

Confirmed reports that the Chinese have advanced up to 18 miles at some points and are digging in, apparently to wait for regular Vietnamese divisions to move northward for a climactic confrontation, are said to be causing an urgent reassessment in the administration.

Assessment Not Holding Up

"The idea that this is just a limited border operation for dramatic punishment, doesn't seem to be holding up," an official said. "It is far more steady and deliberate than that."

Western diplomatic sources feel the Chinese have opened a still-unfolding campaign that has as its eventual aim pulling enough Vietnamese troops out of Cambodia to topple the pro-Vietnamese regime installed there last month. But the Chinese strategy for this remains obscure.

Neither the Soviet Union nor the (Continued on Page 2, Col. 5)

News Analysis

Coverage of Indochina War Frustrating

By Henry Kamm

BANGKOK, Feb. 25 (NYT) — The terrain on which the Vietnamese defenders are meeting the Chinese invaders is mountainous, remote and closed to foreigners. The governments involved have never felt an obligation to tell their own people or the world what they are doing and what is being done to them.

Their broadcasts and printed publications conform staunchly to the Leninist idea that news is a branch of agitation and propaganda, designed not to inform but to advance the government's political goals. The governments' normally restrictive and selective policies of admitting foreign correspondents become more so when news events are taking place; they prefer such visits when all is calm.

"Covering" the border war between the two Communist powers is impossible by Western standards. An American correspondent based in Moscow a few days ago, when China and the Soviet Union clashed in Manchuria in what became known as the "Ussuri incident," still recalls an anguished awakening during the night with the realization that for three days he had been "covering" an important story solely through the pronouncements of two government propaganda services not noted for sober factualness.

No outside sources of possible objective information were available in restrictive Moscow, where even those diplomats and intelligence specialists who might have had access to such information dared not communicate it to journalists.

The situation is somewhat better in Bangkok and Hong Kong, the principal listening posts for Indochina and China, respectively.

Hong Kong has a sizable colony of professional "China watchers." In Bangkok, a far smaller group of experts on Indochina scans transcripts of monitored broadcasts, reads press translations and receives some of the intelligence information that is gathered through modern electronic techniques. They include satellite photogra-

phy and the intercepting of radio and other communications. The United States has a near-monopoly on these expensive techniques. Thailand felt free to some listening equipment in 1976, when the United States withdrew its troops that were stationed here during the U.S. phase of the wars of Indochina.

Because of the nature of the intelligence business, no outsider knows to what degree the China or Indochina watcher with whom he is speaking has access to the intelligence that has been gathered or to what extent his interpretation of the data gathered in overflights and electronic eavesdropping is accurate.

Neither technical deficiencies in the collecting and reading of information nor the political cast of mind of the interpreter of the raw information and those who subsequently retail it can be disregarded in news reporting that is unavoidably second-hand at best and rarely capable of verification through other sources.

Relying on Trust

A journalist can only hope that an informant whose record of truthfulness and sound interpretation has proved good in the past will live up to the confidence he has inspired on each subsequent encounter. The closest he can come to checking it is to seek out as many sources as possible — the number in Bangkok is severely limited — and without disclosing the original source to get a second, third or fourth opinion.

Whereas in Hong Kong entire establishments, particularly the U.S. consulate-general, are geared to China watching, few embassies in Bangkok have diplomats whose sole function is to study developments in Indochina. Furthermore, their principal sources of hard information on military events are the U.S. and Thai observation and listening facilities, to the extent that the United States and Thailand are prepared to share such information with third countries.

On events in northern Vietnam, far removed from Thailand, Thai listening posts are unproductive. Consequently, the governmental and diplomatic community in Bangkok is only unilaterally and even less solidly informed than it is on events in Cambodia, a neighboring country. A diplomat who spoke with three leading Thai generals in the last two days heard three fundamentally different accounts from sources that he passed as "well-informed" within the context.

China Aide Sees a Halt

(Continued from Page 1)

the inhabitants of Lao Cai as early as September and turned it into a fortified stronghold.

Another dispatch said that Chinese soldiers operating near the Vietnamese town of Cao Bang had "recovered" an area that belonged to China's Kwangsi Chuang autonomous region and "had been occupied by the Vietnamese for one year." Chinese villagers are now returning to their homes after having been forced to live in caves to avoid Vietnamese harassment, the report said.

Another report, datelined, "Kwangsi and Yunnan Border Fronts," detailed the exploits of several Chinese soldiers, including Shan Ta, a deputy company commander, who picked up a radio and rocket launcher from two of his wounded men and led a charge against a Vietnamese hilltop position.

At the bugle to charge, he was the first to storm into the enemy trench, the agency report said. "With a submachine gun, he shot down seven enemies and captured two machine guns, one rocket launcher and six hand grenades. It took his company only 40 minutes to storm the height."

2 U.S. Congressmen Visit Border

HONG KONG, Feb. 25 (WP) — Two members of the U.S. Congress, allowed a brief look at the border war, said last night that fighting there was "fairly fierce" and that "a great number of Vietnamese troops" were moving toward one part of the front.

Rep. Elizabeth Holtzman, D-N.Y., said that Lang Son, "like a ghost town," she visited on Thursday. Before leaving Hanoi yesterday, she was told the town had not yet fallen to the invading Chinese army, but that "fighting was continuing on a heated basis nearby."

Rep. Billy Evans, D-Ga., said that he saw "very heavy shelling by the Chinese of Vietnamese positions" on Friday at Cam Duong, southwest of the Vietnamese border town of Lao Cai. The Chinese reportedly have taken Lao Cai and Rep. Evans said that he had the impression they were trying to press farther.

Accusations Exchanged at UN

UNITED NATIONS, N.Y., Feb. 25 (AP) — Vietnamese and Cambodian delegates to the United Nations yesterday exchanged charges during the Security Council debate on China's invasion of Vietnam and Vietnam's military intervention in Cambodia.

Ha Van Lau, the Vietnamese ambassador, condemned China's "open and deliberate aggression" and rejected any link between the fighting in Cambodia and the Chinese invasion of his country.

Thiounn Prastith, the Cambodian ambassador who represents the Cambodian regime that was ousted last month by Vietnamese forces and Cambodian rebels, accused Vietnam of pursuing a policy of genocide against Cambodia.

He said that the new Vietnamese-backed government in Cambodia is "nothing but a Vietnamese provincial administration."

U.S. Warns Public to Beware 'Hot Stories' of Asia Fighting

WASHINGTON, Feb. 25 (WP) — U.S. officials continue to take issue with press reports of escalation of the China-Vietnam war, and the State Department has warned the press and public against "hot stories" from the battle zone.

The warnings, for the second straight day, followed Friday's "hot" account: an Associated Press story attributed to Thai intelligence sources that said Chinese warplanes had bombed Soviet ammunition and materiel "deep in Vietnam" near Haiphong, Thursday's "hot story" was a United Press International report, datelined Hanoi, that the Soviet Union had begun mobilizing troops along its Chinese border. The information was attributed to "Japanese reports." Both stories, according to U.S. officials, appear to be untrue.

Since the war began last weekend, an unusually large number of erroneous, exaggerated or highly speculative news accounts have been given large amounts of space and air time in U.S. news media. Among these, according to officials, were stories that said:

• The Soviet Union has put its army on alert and canceled leaves. The account was filed by Victor Louis, a Soviet journalist with reputed inside connections who writes for the London Evening News. Mr. Louis later said that his information came from his son, a university student, who had picked up this "village gossip" from a friend.

• Chinese forces in Vietnam have begun to withdraw. This story from diplomatic sources in Peking is said to have resulted from a "garble" by the Lebanese ambassador in the Chinese capital. He was called in for a briefing by Foreign Ministry officials but reportedly misunderstood the Chinese message.

• Vietnamese reinforcements have moved north from the Hanoi area to challenge the Chinese invaders. The story reportedly originated with a Japanese reporter who was permitted by Vietnamese authorities to observe vehicles with troops moving along a road.

Visits Peking for Trade Talks

Blumenthal Warns China Against War

By Hobart Rowen

PEKING, Feb. 25 (WP) — U.S. Treasury Secretary Michael Blumenthal tonight used the occasion of a toast in the Great Hall of the People to warn the Chinese government that "even limited invasions risk wider wars and turn public opinion against the transgressor."

Mr. Blumenthal, the highest-ranking U.S. official to visit Peking since normalization of relations between the two countries, is to begin talks tomorrow on broadening of trade and commercial relationships.

He arrived here yesterday. But the cloud that hangs over these negotiations because of the Chinese invasion of Vietnam — despite U.S. denials that the two are related — intruded on the formal state dinner welcoming Mr. Blumenthal tonight.

The Chinese finance minister,

Chang Ching-fu, in an opening toast, strongly defended China's attack on the "Vietnamese aggressors," whom he said "were emboldened by the support of the Soviet Union."

He repeated the weekend declaration of Chen Chu, the Chinese ambassador to the United Nations, that China would negotiate anywhere to end the conflict. Mr. Chang said that China sought no territory from Vietnam, but wanted peace "to build up our country."

Mr. Blumenthal, speaking in Chinese for the first time since his arrival, briefly outlined the potential economic benefits of normal relations, but added that these could flourish only under conditions of world peace.

"Respect for the independence and the territorial integrity of all nations and reliance on peaceful means to resolve disputes are the fundamental principles of interna-

tional conduct," Mr. Blumenthal said. "Any erosion of these principles harms all nations. Even limited invasions risk wider wars and turn public opinion against the transgressor."

To make sure there is "no doubt on the American position on this matter," Mr. Blumenthal quoted from President Carter's recent speech in which he condemned both the Vietnamese invasion of Cambodia, and the Chinese invasion of Vietnam.

In relation to the trade-economic talks, both sides are trying to maintain low profiles on the issue of the hostilities. Mr. Blumenthal was asked if the hostilities would affect the economic talks. He replied: "I see no reason why they should. I can't believe they are related."

But a continuing conflict could add to the tension. A U.S. source said today that while it is true that China probably does not want to retain territory in Vietnam, "the sooner they get out, the more they reduce the danger of the war spreading."

Kremlin Criticizes Visit

MOSCOW, Feb. 25 (AP) — The Kremlin sharply attacked Mr. Blumenthal's visit today, calling it a "clear encouragement" to Chinese aggression against Vietnam.

The criticism by Tass followed strongly worded commentaries today in two Moscow newspapers, Pravda and Red Star.

Tass said in the New York-dated dispatch that Mr. Blumenthal's visit was taking place "against the background of China's treacherous aggression against neighboring Vietnam and savage atrocities perpetrated by the Chinese military against civilian Vietnamese."

Steelworkers in France Send 'SOS for Our Jobs'

(Continued from Page 1)

Longway families, according to Dr. Charles Tamburini, head of the local medical association.

When they challenge the planned changes in their industry, steelworkers here acknowledged that their local mills are largely inefficient. "But why didn't government planners find us some new jobs before they started scrapping our steel?" they ask. Some believe that Longway is being punished by the government for electing a Communist member of parliament last year for the first time, but more recognize that they are victims of an economic crisis.

Steelworkers — who are comparatively well-paid because of the regular overtime shift to keep the furnaces going around the clock — are guarded when discussing any cuts in their purchasing power, which they might accept if offered a 35-hour week in steel jobs on a Ford assembly line or in another new local industry.

The overriding emotion is despair about the chances of the government finding new employers to enter Longway. The threat of violence here is fueled by this feeling of being cornered. "How can I leave Longway now?" Mr. Gilbert asked. When younger, he applied, unsuccessfully, for a job in Dunkerque's modern steel mill. "Now it's too late for us to try making a new life in another town," his wife said. "And who would buy our house, which is our whole savings, if Longway is condemned?"

—JOSEPH FITCHETT

Steel Dispute Seen as Test Of Barre Industry Strategy

(Continued from Page 1)

changes were long overdue. As a rough index of productivity, French steelworkers in 1978 worked an estimated 9.3 hours per ton of raw steel compared with only 7.4 hours for their West German counterparts, according to European Economic Community figures. Britain lags at 16.5 hours while Italy and the Benelux countries have modern plants that improve the figure there to about 6.4 hours.

The French decision to tackle the steel problem was motivated partly by its Common Market obligations under the Davignon plan that was launched in 1976 to restructure the European steel industry amid its worst crisis since World War II.

Under the Davignon plan, Common Market countries agreed to coordinate their efforts to cushion the shock of dwindling demand by cutting capacity and converting to other industries.

French Communists and Gaullists have criticized the Barre government for allegedly "dismantling the French steel industry" and "deindustrializing France" for the benefit of West Germany and France's other Common Market competitor countries. Calls by these parties for a reprieve of France's steel capacity have overtones of the anti-German nationalism stirred up here by the imminent European parliamentary elections.

EEC statistics, however, show that France's share of the total Common Market steel production has remained constant at 17 percent while the West German share dropped last year from nearly 35 percent to 32 percent.

France, in fact, has made little effort until now to cut back capacity and eliminate jobs. While other industrial countries gradually shed steel jobs during the 1960s and 1970s, successive French governments delayed reacting to the world slump, kept steel prices low (thus discouraging investment in new technology) and prevented layoffs.

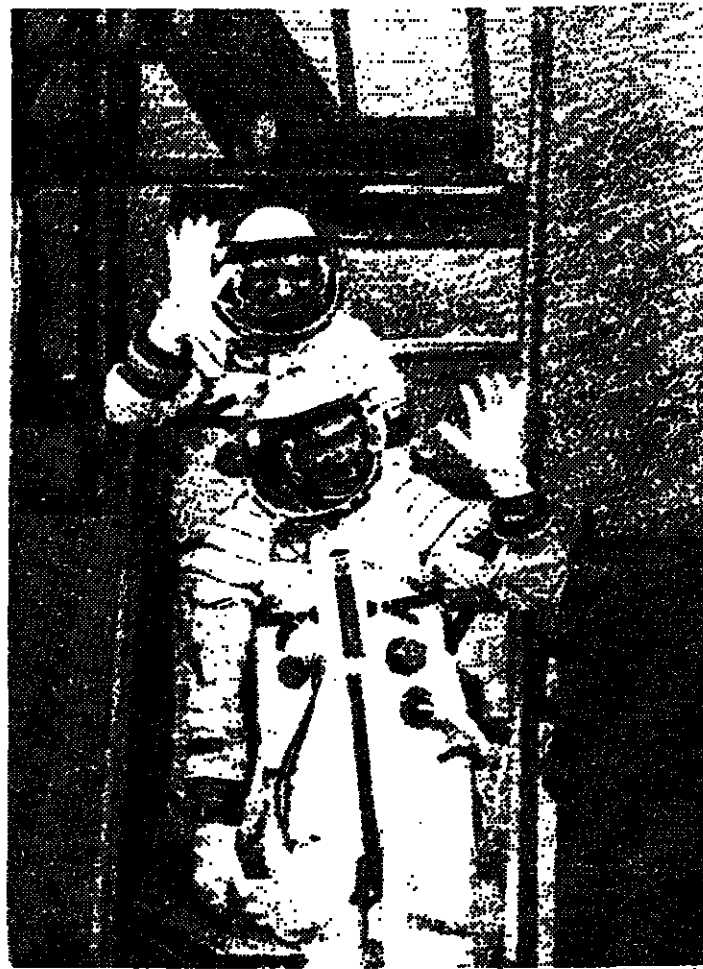
The crunch, when it finally came last December, was severe, particularly in hard-hit areas like the Longway basin in Lorraine, where the steelworkers feel that they have been paying the price for decades of government-supervised mismanagement.

Mr. Barre appears convinced that he can ride out the storm. "Longway is not France," a government adviser said.

Meanwhile, the government is

sweetening its offers of compensation and conditions for early retirement, possibly at 50. Government sources predict that at least half of the 23,000 threatened workers will settle for some form of individual compensation.

The government is hoping that Ford or General Motors will choose Lorraine for an automobile-assembly factory employing 8,000 workers. The government reportedly is ready to earmark nearly half its 3 billion franc (\$700 million) special fund for industrial adaptation to attract to Lorraine such a big U.S. investment, which would vindicate the government's policy of modernization.



Vladimir Lyakhov (at top) and Valery Rymynin wave goodbye before the launching of the Soyuz-32 spaceship in Soviet Asia.

To Check on Future Use of Lab

2 Cosmonauts Launched To Link Up With Salyut-6

MOSCOW, Feb. 25 (UPI) — The Soviet Union today launched two cosmonauts aboard Soyuz-32 to check the mothballed Salyut-6 space lab for possible use by Soviet spacemen. Tass reported.

Rookie commander Lt. Col. Vladimir Lyakhov and flight engineer Valery Rymynin, who was making his second flight, were launched at 2:54 p.m. from the Baikonur Cosmodrome in Soviet central Asia.

Tass said the cosmonauts "feel well" and that all systems were functioning normally. It was the first manned Soviet flight since Nov. 1978, when the Soyuz-29 cosmonauts returned safely at the end of a record 139 days in space.

Tass said the Soyuz-32 was to link up with the Salyut-6 space station, which has been in orbit for 16 months. "The crew will have to carry out additional evaluation of the possibility of a further functioning of Salyut-6's systems for manned flight," Tass said.

It will be Mr. Rymynin's second

attempt to dock with the orbiting space lab. The engineer was aboard the Soyuz-25 that tried in October, 1977, to be the first spacecraft to dock with Salyut-6. Tass said the plan was aborted "because of some deviations from the planned docking regime." Mr. Rymynin and cosmonaut Vladimir Kovalenko returned to earth two days later.

Specially Trained Col. Lyakhov has been a cosmonaut since 1967 as part of a crew specially trained for the Salyut space lab program.

The Salyut-6 space station, which was placed into orbit Sept. 29, 1977, has been a spectacular success, according to the Russians.

"The Salyut-6 station is adapted for lasting operation due to two docking units that allow for the perfection of more sophisticated programs that can be applied to different branches of science and the economy," said Vladimir Shatalov, head of the Soviet cosmonaut training program.

Mr. Shatalov said today that Salyut-6 has been an effective platform for work in space and has been used for eight out of the 16 months that it has been in orbit. "This was achieved not only due to four refueling ships, but through the more effective operation of the stations control and life-sustaining system," he said.

Since it went into operation, there have been five successful dockings with Salyut-6, including those by three international crews. In addition, unmanned supply ships have docked to deliver tons of food and fuel.

U.S. Weighs Gulf Force

(Continued from Page 1)

bate among politicians over whether the United States has presented a strong enough force in the area and whether Moscow may gain influence in the oil-rich area at Washington's expense.

While Mr. Schlesinger declined to say specifically what type of military presence is being considered, Mr. Brown said during his Middle East trip that he does not envision U.S. bases in the Gulf such as the United States maintains in Europe.

But administration sources said a number of other options are under consideration to boost the U.S. presence — increasing naval power to establish a more constant presence in the Indian Ocean and making more port calls; sending in new types of ships, possibly including those that carry Marine landing forces; putting aircraft carriers in the Indian Ocean; and making a show of air strength in the area through training exercises or other means.

President Carter has not mentioned the possibility of an increased military presence in the Gulf, but in a major foreign policy speech last Tuesday he said the United States is intensifying its efforts to promote stability throughout the Middle East.

WEATHER

ALBUQUERQUE	12 F	Cloudy	MADRID	6 F	Fair
AMSTERDAM	12 F	Cloudy	MIAMI	74 F	Cloudy
ANKARA	26 F	Cloudy	MILAN	54 F	Cloudy
ATHENS	48 F	Fair	MONTREAL	10 F	Cloudy
BEIRUT	14 F	Fair	MOSCOW	5 F	Cloudy
BELGRADE	13 F	Fair	MUNICH	28 F	Snow
BOMBAY	23 F	Fair	NEW YORK	5 F	Snow
BRAZILIA	23 F	Fair	NICE	13 F	Overcast
BUCHAREST	23 F	Cloudy	OSLO	28 F	Overcast
BUDAPEST	23 F	Cloudy	PARIS	23 F	Fair
CASABLANCA	15 F	Overcast	PRAGUE	13 F	Overcast
COPENHAGEN	23 F	Fair	ROME	14 F	Cloudy
COSTA DEL SOL	12 F	Fair	SOFIA	23 F	Cloudy
DUBLIN	46 F	Overcast	STOCKHOLM	18 F	Snow
EDINBURGH	6 F	Overcast	TEHRAN	—	N.A.
FLORENCE	6 F	Overcast	TEL AVIV	18 F	Fair
FRANKFURT	6 F	Overcast	TOKYO	9 F	Overcast
GENEVA	23 F	Overcast	TUNIS	18 F	Rain
Helsinki	23 F	Overcast	VIENNA	0 F	Snow
ISTANBUL	23 F	Fair	WARSAW	23 F	Snow
LAS PALMAS	18 F	Overcast	ZURICH	5 F	Cloudy
LISBON	49 F	Overcast			
LONDON	4 F	Cloudy			
LOS ANGELES	21 F	Cloudy			

(Weather's readings U.S. and Canada all 1979 GMT; Los Angeles at 2000 GMT; all others at 1200 GMT.)

'Diplomatic Illness' of Saudi Prince Seen

Fahd Postpones U.S. Visit; Public Explanations Differ

By John M. Goshko

WASHINGTON, Feb. 25 (WP) — Crown Prince Fahd of Saudi Arabia has postponed a mid-March visit to Washington, leaving U.S. officials uncertain whether the postponement was due to health reasons or a "diplomatic illness" prompted by growing Saudi coolness toward the Carter administration.

Because the U.S.-Saudi relationship is an important element of the Carter administration's foreign policy, Prince Fahd's action touched off speculation in diplomatic circles about the cause of his sudden reluctance to come here.

Bakhtiar Flight Seen

(Continued from Page 1)

fight "any country that interferes in our internal affairs."

The radio said that Ayatollah Khomeini vowed during the meeting to bring the Shah back to Iran from wherever he may be.

Iranian newspapers, quoting Foreign Ministry officials, mean-

while, reported today that Libyan leader Col. Muammar Qadhafi would visit Iran shortly. Col. Qadhafi would be the first head of state to visit Iran since Ayatollah Khomeini's seizure of power.

Meanwhile, Iran, second only to Saudi Arabia in oil exports until the civil turmoil forced it to cap off its international pipelines last October, will begin selling oil to the world again within 15 days, according to Deputy Premier Amir Entezam.

"I can't tell you the amount," Mr. Entezam said yesterday. "It may be more, less than or equal to the exports of the previous government."

Before the revolution, Iran's 65,000 oil workers were pumping 6 million barrels of oil a day — 5.4 million barrels of that were exported. The oil income for the country was \$350 million a week. Of late, only about 700,000 barrels a day have been taken out of the rich fields in the south, merely enough for domestic needs here.

Mr. Entezam said the National Iranian Oil Co., the government agency in charge of the industry, will soon make a recommendation on the date of start-up and the amount of production. "I can tell you definitely that oil exports will begin in a few days," he said. "However, the meaning of a few days depends on who is saying it. I don't have the exact date."

Pressed on the point, he said that he had learned in Cabinet meetings that Iran could begin shipping oil within 15 days. Local sources put the amount of oil the country could produce initially at 3 million barrels a day, with more than two-thirds of that for sale to other nations.

On another matter, Mr. Entezam said that the date for a national referendum, by which Iranians would vote on the system of government they prefer, would be no later than the country's New Year, March 21. Sources here have said there will be only one question put to voters: "Do you favor an Islamic republic?" Mr. Entezam said he could not say what the voters would be asked. "The Interior Ministry will announce the date," he said. "In addition to the questions."

Reports of heavy fighting in the Kurdish province along Iran's border with Iraq, where tribesmen are said to be opposing Khomeini forces, have been exaggerated, Mr. Entezam said. "Yesterday I was told by our people there and it was denied that 100 people were killed," he said. "Everything is calm there now." No casualty figures were given.

Meanwhile, the man considered most likely to become the first president of Iran said yesterday that his country cannot go back to the first century of Islam but must become a modern nation with an internationally acceptable government.

In an interview, Ali Shayeagan called for a new constitutional establishment of open courts and a parliament to the secret Islamic tribunals of Ayatollah Khomeini — and a parliamentary system of government with supreme power vested in a national assembly. At present, Ayatollah Khomeini's secretive Islamic Revolutionary Council is the nation's supreme ruling body.

Mr. Shayeagan also said that Iran should limit its oil exports to provide only the income it needs, and that the country should adopt a non-aligned foreign policy toward the United States and the Soviet Union.

Mr. Shayeagan, 76, returned to Iran Thursday after 20 years of exile in France and the United States. He met yesterday morning for 30 minutes with Ayatollah Khomeini.

Earlier, Ayatollah Khomeini declared that "wherever the Shah is, we will get hold of him," the radio said. The Ayatollah did not say what would happen to the Shah if he were brought back to Iran, but he has stated that he would be tried for crimes committed during his 37-year reign.

Addressing groups of Kuwaiti officials and Lebanese religious leaders, Ayatollah Khomeini told them he bore no grudge against the Iraqi and Kuwaiti governments because of the way they treated him while he was in exile last year. He said they were acting under pressure from the Shah's regime.

Ayatollah Khomeini, exiled 15 years ago, left Iraq in October after being placed under virtual house arrest in Najaf. He tried to go to Kuwait but was refused entry. He later went to France.

Adding to the confusion was a discrepancy in the public explanations given Friday by the U.S. and Saudi governments for putting off the official visit scheduled for March 13 and 14.

Spokesmen for White House, which sought the visit eagerly, and for the State Department said that Prince Fahd asked for the postponement because of health problems that might require hospital tests.

But an official Saudi announcement made no mention of illness and said that the visit was being postponed "through the mutual agreement of the two governments in order to provide the time needed for a study of the issues of mutual concern" to be discussed by Prince Fahd and President Carter.

Washington's ties with the Saudi monarchy are regarded as sensitive because of the disruptions the Iran's internal turmoil has caused in the Middle Eastern oil supply and because of U.S. efforts to complete an Egyptian-Israeli peace treaty.

Despite persistent efforts by the administration, the Saudis refused to endorse the Egyptian-Israeli negotiations or the other elements of the Camp David framework for peace in the Middle East. There also have been increasing signs of Saudi unhappiness at U.S. oil policy and disappointment at U.S. inability to do anything about the events that upended the pro-Western government of Shah Mohammed Reza Pahlavi of Iran.

For these reasons, there was an immediate tendency in diplomatic circles to view the postponement, the visit as a Saudi attempt to keep Washington at arm's length for a time being.

That interpretation was public denied by the administration. F. day, Tom Reston, a State Department spokesman, said that the two countries have certain differences, "we do not agree in press stories that there are strains in our relations."

In private, though, administration sources said that they did not know for certain what prompted the Saudi action. These sources said that the Saudi request for postponement was made last week on the grounds that Prince Fahd had some medical problems. U.S. officials initially accepted that explanation at face value, sources said.

Carter May Call Summit

(Continued from Page 1)

Mr. Khalil telephoned Mr. Say and briefed him, and the decision to return home today apparently resulted from that phone call.

The newspaper quoted an unidentified high-level Egyptian source as saying that the talks have not halted, "but we can say they are obstacles."

In Israel, the newspaper Ma'ariv quoted U.S. sources as saying that negotiators were "on the threshold of an important achievement." Israeli sources said an Israeli source had asserted that Egyptian demands actually had hardened during the sessions.

With most of the treaty completed, U.S. negotiators had been concentrating on the Palestinian issue involving "linkage," and two of the main obstacles: treaty language governing future renegotiation of terms, and whether Egypt's plan of 1951 to join other Arab states was against Israel is to be opened by the treaty with Israel. The treaty is tied in a specific way to establishment of self-government for the Palestinian Arab Gaza and the West Bank.

Nuclear Station In Switzerland

Is Blast Target

LEIBSTADT, Switzerland, Feb. 25 (Reuters) — A bomb attack today at the site of a nuclear power station under construction by police said.

No one was hurt, but a shed was slightly damaged. It had been alerted by an anonymous telephone call shortly before blast.

A bomb last Monday wrecked information building at the nearby of another future power station. That incident occurred shortly after Swiss voters in a referendum rejected strict controls on the commissioning such plants.

Turkey Extend Its Martial Law

From Wire Dispatches

Even If Rejected by Senate

Carter Seen Abiding by SALT Treaty

By Edward Walsh

WASHINGTON, Feb. 25 (WP) — White House officials have said at a press conference that President Carter intends to abide by the terms of a new strategic arms limitation treaty (SALT) even if the treaty is rejected by the Senate.

Confirming a portion of a report in the March issue of the Atlantic magazine by political scientist James MacGregor Burns, White House Press Secretary Jody Powell said Friday that it was only logical to assume that Mr. Carter would abide by the size of the U.S. nuclear force if the Soviet Union did the same.

But he stressed that the president's policy will hinge on Soviet actions. If the Senate rejected the treaty and the Russians continued military buildup, Mr. Powell said, "we would march."

"If the Soviet Union chose to exercise restraint," he said, "we would not take action here that would make that restraint impos-

ble. . . Any restraint here would have to match restraint by the Soviets."

Mr. Powell, however, denied another assertion in the Burns article — that Mr. Carter intends to submit the treaty as an executive agreement, requiring only majority vote approval by the House and Senate, if the treaty fails to receive the necessary two-thirds vote approval for ratification by the Senate.

Reporting from a December interview with the president, Mr. Burns wrote:

"In discussing this [SALT] issue he became more determined, even more solemn, than I had ever seen him. He took pains to leave no doubt in my mind about his present intention. While he plans to recognize the Senate's full role in treaty-making, if a SALT agreement is blocked or emasculated in the upper chamber, he will ask both House and Senate for a simple majority vote of approval; and if this approval is not forthcoming, he will on his own authority as chief executive observe the terms of a SALT

agreement as long as he is president."

Mr. Burns did not report that Mr. Carter conditioned his future policy on Soviet actions and quoted the president as saying, to emphasize the importance of the issue, "Our relations with Russia affect everything we do in every part of the world."

Top Priority

Obtaining a SALT-2 accord with the Russians has been one of Mr. Carter's top priorities and gaining Senate approval of such an accord is his first foreign policy goal for this year.

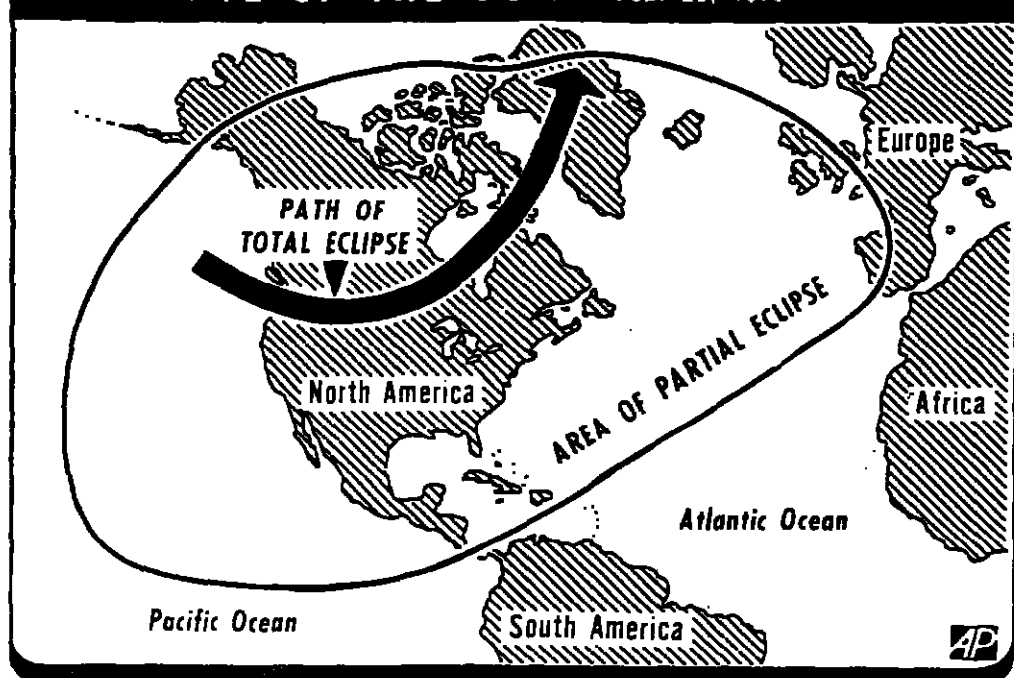
U.S. and Soviet negotiators reportedly have agreed on all the major issues, and final agreement is expected early this year. That forecast, however, may have been set back by the growing tension between the Soviet Union and its Communist rival, China, over the fighting in Southeast Asia.

Last year, the White House deliberately encouraged speculation that a new SALT accord might be submitted to Congress as an executive agreement rather than as a treaty. But that idea provoked heavy congressional opposition and Mr. Carter later ruled it out.

Administration officials have been at work for weeks on plans to gain Senate approval of the treaty when it is finally ready for submission.

ECLIPSE OF THE SUN

Feb. 26, 1979



ECLIPSE OF SUN — An eclipse of the sun will be seen in North America today. The path of the total eclipse will pass through Portland, Ore., Butte, Mont., and Winnipeg, Manitoba. A partial eclipse will be seen from as far north as Alaska to Central America.

Documents Show White House Strategy

Nixon Effort to Run Public TV Revealed

By Les Brown

NEW YORK, Feb. 25 (NYT) —

Efforts of the Nixon administration to control public broadcasting, purge it of commentators considered to be hostile to the president and restructure it so that it might serve the administration's aims are detailed in a host of documents from the files of the White House Office of Telecommunications Policy for 1969 to 1974.

The documents, chiefly memorandums between Clay Whitehead, director of the office, and a number of White House officials, including Peter Flanagan, Dwight Chapin, Charles Colson, John Ehrlichman and H.R. Haldeman, were obtained by The New York Times under the Freedom of Information Act.

The papers, part of an inventory of hundreds of documents in the file, portray an Executive Branch convinced of a liberal political tilt within public broadcasting and determined to rid it permanently of news, commentary and public-affairs programming.

Gaining control of the board of directors of the Corporation for Public Broadcasting and using the federal appropriation as the device to force a reorganization of the system along lines prescribed by the White House. The Corporation for Public Broadcasting is the statutory organization created to distribute federal funds for programming and, ironically, to protect the system from government interference.

While no single memo in the file articulates a master plan, the documents, when taken together, trace a pattern of concentration on the following strategies:

1. Gaining control of the board of directors of the Corporation for Public Broadcasting through the presidential appointment process. "The best alternative would be to take over the management and thereby determine what management decisions are going to be made," Ehrlichman, the president's chief domestic-affairs adviser, recommended in a memorandum. The administration was to have achieved control when eight seats on the 15-member board

were filled with Nixon "loyalists" who would cooperate with the White House.

2. Banishing news and public-affairs programming from the national schedule by breaking up the then-emerging network and increasing the autonomy of the stations by channeling a large share of the federal funds directly to them. The sharp reduction in funds to the Corporation for Public Broadcasting would cause it to concentrate on cultural and educational fare for national programming.

3. Exploiting the division in public broadcasting over the issue of national versus local control of stations. The network entities, the original Public Broadcasting Service and the National Public Affairs Center for Television — were considered to be of politically liberal orientation. In a memorandum to the president Nov. 15, 1971, Mr. Whitehead wrote: "We stand to gain substantially from an increase in the relative power of the local stations. They are generally less liberal and more concerned with education than with controversial national affairs. Further, a decentralized system would have far less influence and be far less attractive to social activists." Exploiting the divisive issue in the industry "provides an opportunity to further our philosophical and political objectives for public broadcasting without appearing to be politically motivated," he said.

4. Cutting off federal funds to National Educational Television, the national program entity that has since merged with a station in New York. National Educational Television had derived most of its financing from the Ford Foundation and was regarded by the administration as a prime source of liberal-slanted programming.

5. Making an issue in the press of the fact that Sander Vanocur

and Robert MacNeil, the system's premier journalists at the time, were receiving larger salaries than the U.S. vice president, the chief justice and other government officials. Mr. Vanocur was being paid \$85,000 a year, and Mr. MacNeil \$65,000. As it happened, the focus was put on the issue by Rep. Lionel Van Deerlin, a liberal Democrat from California, who questioned the propriety of a federally funded system paying such high salaries. Mr. Van Deerlin was unaware that his convictions were serving the White House plan.

These memorandums are bound to strengthen the contentions, in the recent report of the Carnegie Commission on the future of public broadcasting, that the noncommercial system needs to be redesigned by legislation, to insulate it from government interference. The commission also has received these documents, under a similar freedom-of-information request, from the National Telecommunications and Information Administration, the agency that has succeeded the Office of Telecommunications Policy in the Carter administration as chief adviser to the White House on broad policy issues.

The public-broadcasting industry consists of 280 noncommercial television stations affiliated with the Public Broadcasting Service and more than 300 noncommercial FM radio stations linked as National Public Radio.

Among other things, the memorandums make it clear that the chairman and the president of the Corporation for Public Broadcasting were effectively ousted, and that their successors were hand-picked by the White House inner circle. In this, the administration flouted the statute requiring those decisions to be made by the board of the Corporation for Public Broadcasting.

Eilberg Is Fined \$10,000 After He Admits His Guilt

By Jan Schaffer

PHILADELPHIA, Feb. 25 (WP) — Former Rep. Joshua Eilberg was fined \$10,000 yesterday and placed on three to five years' probation after he unexpectedly pleaded guilty to a federal conflict-of-interest charge.

Eilberg, 58, a Pennsylvania Democrat, entered the plea as part of a deal with the U.S. attorney's office that was reached yesterday morning, the day testimony in his trial was to have begun.

U.S. District Court Judge Raymond Broderick, who had spent two days reviewing legal motions, accepted the plea-bargaining arrangement "in the interests of justice."

In addition to the probation and the fine, the maximum allowed under the law, Eilberg was ordered to work without pay six hours a week in some form of community service to be selected by the Justice Department.

Eilberg lost his bid for a seventh term in Congress in November shortly after he was indicted. Until yesterday, he had maintained his innocence, asserting that the charge was the result of "bookkeeping irregularities."

He was charged with one count of receiving compensation for helping a Philadelphia hospital win a \$14.5 million grant from a federal anti-poverty agency for a construction project. It is illegal for a congressman to receive compensation for services performed before a federal agency.

Barred From U.S. Office

The plea will prevent Eilberg from holding federal office "I regret very much that I don't have an opportunity to run again for Congress. That's very important to me," he told the judge when asked for comment.

And it is expected that Eilberg, an attorney, will be disbanded in Pennsylvania, because the charge is a felony.

The guilty plea came as a surprise to those closest to the case. Defense attorneys had deluged the

court with pretrial motions that presented thorny legal issues. They were joined by lawyers from the House of Representatives who intervened to object to a subpoena for records.

Prosecutors said that Eilberg's attorneys had initiated the plea bargaining. The idea of a guilty plea was broached Friday. Besides the fine and probation, the agreement provides for a government civil suit to try to recover from Eilberg about \$20,000 — the amount that prosecutors said they would have proved that Eilberg had received in violation of the conflict-of-interest statute.

Terror Suspects

Arrested in Italy

PARMA, Italy, Feb. 25 (AP) — Police said yesterday that they have arrested four suspected terrorists, including two West Germans, who were picked up Tuesday in a stolen car filled with arms and explosives.

Police said the arrests appear to confirm long-suspected links between German and Italian terrorist groups. Officials of the West German anti-terrorist police traveled to Parma to help in the case.

The West Germans were identified as Willi Piroh, 25, and Gabriele Harwig, 24, and the Italians as Rocco Martino, 23, and Carmela Pano, 24. Police said that Piroh was released last year after four years in prison for dynamiting a police barracks in Frankfurt.

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or Deployment in Europe

Carter Said to Urge Allies To Accept Missile Plan

By Richard Burr

WASHINGTON, Feb. 25 (NYT) — The Carter administration, eager to avoid another major dispute in Western alliance over nuclear policy, is pressing allied governments in Europe to agree to a plan for deploying a new medium-range missile capable of striking the Soviet Union.

As part of a new strategy for dealing with sensitive nuclear issues, government officials said the administration recently told allied leaders that it was prepared to develop a missile for Europe even though the Europeans had not indicated a readiness to accept such a weapon on their soil.

The aides said this approach differed from President Carter's handling of the neutron-bomb issue last year, when the United States refused to commit itself on providing the weapon until its NATO allies agreed to deploy it. This time, expressing a willingness to build a missile itself, the administration reportedly hopes that European members of the North Atlantic Treaty Organization will be less reluctant to agree to station it in Europe.

However, many officials on both sides of the Atlantic remain skeptical, arguing that Mr. Carter's prime commitment to proceed with the missile is unlikely to resolve European ambivalence over the weapon, especially in West Germany, where the proposed system has become the subject of intense political debate.

Congressional Objections

On Capitol Hill, several members of Congress are asking why the United States should develop a missile for Europe that could cost hundreds of millions of dollars, and possibly hamper arms-control talks in Moscow, when allied governments are undecided whether they want it.

Western interest in fielding a medium-range missile has increased since the Soviet Union decided to replace its older force of missiles targeted against Western Europe with a new mobile system tipped with multiple warheads, known as the SS-20. Although several European leaders, including Helmut Schmidt, the West German chancellor, have expressed concern over the missiles, U.S. officials said they had been reluctant to seek public support for a matching

U.S. missile for fear of jeopardizing relations with Moscow. In addition, the officials acknowledged that Mr. Schmidt and other European leaders were concerned about a possible repeat of the neutron-bomb controversy, in which Mr. Carter, in a surprise move last April, decided against producing the warhead just as the alliance was about to agree on a plan for deploying it.

The neutron bomb, unlike other atomic weapons, gives off intense neutron radiation that kills within a relatively wide radius but does little damage to buildings; it was to be deployed on short-range rockets and artillery shells against Soviet tanks in a war in central Europe. The proposed missile, however, would be directed against military targets in Eastern Europe and the western Soviet Union; but, as was the case with the neutron weapon, European governments are said to be leery of supporting any new nuclear system that does not appear to have Mr. Carter's full backing.

Although the president has not publicly announced his support for a new missile, White House and State Department aides said that NATO member governments had recently been informed that the administration was ready to begin work on the weapon, and that it only remained for the alliance to agree on its characteristics and deployment. This message, they said, was reiterated when Secretary of Defense Harold Brown met with Hans Apel, the West German defense minister, last week at the Pentagon.

According to defense aides, Mr. Brown told Mr. Apel that the administration was planning to spend more than \$200 million in the coming year on missiles for Europe, including sea- and ground-launched Cruise missiles, a longer-range version of the existing Pershing ballistic missile and a new medium-range rocket.

However, several officials argued that, even though Mr. Carter had privately signaled his intention to proceed with the missile, there were several major obstacles to obtaining a consensus concerning deployment by the end of the year. The most important, they said, was Bonn's recent announcement that a new U.S. rocket could not be based in West Germany unless other allied countries also allowed it on their soil.

Pentagon Plans to Modify B-111 Into New Weapon

By Drew Middleton

NEW YORK (NYT) — The Air Force is planning to modify a medium-range bomber into a new strategic weapon in the 1980s because senior officials do not believe that Cruise missiles will be as effective in penetrating Soviet air defenses.

Gen. Richard Ellis, chief of the strategic Air Command, recently told the Senate Armed Services Committee that modification of the B-52, the Air Force's main strategic bomber, would continue although it was costly. He added that a less expensive solution would be to convert the B-111, a medium bomber which the Air Force has 155. If a serious effort is made, the general said, "We should have a stretched, engine FB-111 operational in July over three years."

Qualified sources in the aircraft industry said that the Air Force had put a good deal more thought into work into modification of the B-111 than Gen. Ellis' cautious remarks indicated.

No Funds Budgeted

No funds are budgeted for modification of the FB-111, but the Strategic Air Command and the Air Force Systems Command are evaluating a proposal by General Dynamics Corp. for an improved version that would be called the FB-20. The expectation is that during the improvements will be in the fiscal 1981 budget.

The new bomber would result in modification of either the F-4D, the tactical fighter-bomber, or the FB-111A, the strate-

gic-bomber version. The Air Force has 89 F-111Ds and 66 FB-111As. If the fighter-bomber version is selected, its wing tips would be extended, its instrumentation modified, a new landing gear fitted, the fuselage enlarged, and larger and more powerful engines would be installed.

The modified plane, which has a defensive electronic system, would have an improved ability to penetrate enemy airspace, and would have greater range. The range of the strategic-bomber version is 6,000 miles, 500 miles more than the estimated range of the Soviet medium bomber known in the West as Backfire. The new planes could carry short-range attack missiles with nuclear warheads.

Cost to Be High

Aerospace industry sources had no estimate of the cost of modification. They believe that although the cost would be high, it would not be as expensive as modifying the entire B-52 fleet.

The B-52 modifications include an electro-optical viewing system to improve low-flight capability, a forward-directed scanner and a low-level flight television camera.

According to Gen. Ellis, the Soviet Union now spends five times as much as the United States on aircraft and surface-to-air missiles and on air-defense research, development and maintenance. Intelligence sources in the North Atlantic Treaty Organization estimate that the Soviet air-defense force can deploy 2,800 to 3,000 interceptor planes and 10,000 missile launchers at 1,000 sites.

Carter Denounces

Remarks on Jews

Made by Brother

WASHINGTON, Feb. 25 (AP) —

President Carter has used the strongest language yet to denounce recent remarks about Jews made by his brother Billy as "objectionable and foreign to everything about the way we live our lives," the Washington Post reported today.

The Post said that Mr. Carter's comment was relayed by Robert Strauss, special U.S. trade representative and a close adviser to the president. Mr. Strauss quoted Mr. Carter as telling him, "I am terribly concerned with the whole situation of Billy, including his health. You know, Bob, I just totally disassociate myself from his comments. They are objectionable and foreign to everything about the way we live our lives."

The Post also quoted Mr. Strauss as saying, "The president said this to me, and he knows I'm going to repeat it."

In defense of his role as host to visiting Libyan businessmen, Billy Carter was quoted recently as saying, "There's a hell of a lot more Arabians than there are Jews." And responding to criticism of that remark by American Jews, he was quoted as saying, "They can kiss my ass as far as I'm concerned now."

For weeks, the newspaper said, Mr. Carter has rejected suggestions from his staff that he publicly repudiate his brother's comments.

Carrier Constellation

To Leave Philippines

MANILA, Feb. 25 (UPI) — The U.S. aircraft carrier Constellation will leave the Philippines tomorrow for an undisclosed destination after undergoing minor repairs at the Subic Bay Navy Base, home of the powerful 7th Fleet. A Navy spokesman stressed that the departure was in no way connected with the China-Vietnam war.

The Constellation, with a crew of more than 5,000, also put out to sea at the height of the recent Iranian crisis. But the spokesman said that its departure tomorrow would be "routine" and "absolutely not in reaction to anything." He denied a Japanese news agency report that 7th Fleet ships were being deployed in the South China Sea.

Panel to Monitor U.S. Compliance

With Helsinki Rights Agreements

NEW YORK, Feb. 25 (NYT) — With a \$400,000 Ford Foundation grant to cover its first two years, an American Helsinki Watch Committee has been organized to monitor U.S. compliance with the 1975 Helsinki agreements on human rights.

The formation of the committee was announced last week by its chairman, Robert Bernstein, chairman and president of Random House Inc., the publishing company. The creation of a nongovernmental monitoring unit for human rights in the United States had been recommended by Arthur Goldberg, former Supreme Court justice and U.S. representative at the United Nations. Mr. Goldberg, who led the U.S. delegation to the follow-up conference on the Helsinki accords in Belgrade in 1977 is among the 46 members of the new committee.

The committee was formed to monitor and report on how the United States has observed the agreements, which were signed by 33 states from East and West Europe, plus the United States and Canada. The agreements guaranteed freedom of thought, conscience, religion, speech, writing, travel and the reunification of families.

The 10 directors of the U.S. panel are Mr. Bernstein; Orville Schell, vice chairman, who is a former president of the Association of the Bar of the City of New York; Kenneth Clark, psychologist and educator; John Gutfreund, managing partner, Solomon Brothers; Winthrop Knowlton, president, Harper & Row; Aryeh Neier, professor of law, New York University; John Sawhill, president, New York University; Oscar Schachter, professor of law, Columbia University; Alan Schwartz, lawyer, and Michael Sovern, provost, Columbia University.

Other members include former U.S. Judge Marvin Frankel; Douglas Fraser, president of the United Auto Workers; Jack Greenberg, executive director, NAACP Legal Defense and Education Fund; John Hersey, author, John Leonard, New York Times critic; Vilma Martinez, president, Mexican-American Legal Defense and Education Fund; Arthur Miller, playwright; Felix Rohatyn, investment banker; Jerome Shestack, president, International League for Human Rights; Jerome Wiesner, president, Massachusetts Institute of Technology; Glenn Winters, president, Communications Workers of America; and Jerry Wurfl, president, American Federation of State, County and Municipal Employees.

David Fishlow is executive director.

Army Chief of Staff

Carter Is Said to Choose Rogers as Haig Successor

By Charles Mohr

WASHINGTON, Feb. 25 (NYT) — President Carter has decided to name Gen. Bernard Rogers, the Army chief of staff, to be commander of U.S. forces in Europe and to nominate him to succeed Gen. Alexander Haig Jr. as supreme commander of the North Atlantic Treaty Organization, administration officials said yesterday.

Although there had been some talk among European leaders in the NATO alliance of finding a European officer to succeed Gen. Haig, U.S. officials said they expected that the unbroken tradition of a U.S. commander would be observed.

One source said that the president had chosen Gen. Rogers, a military intellectual, partly because of his reputation as a "scholar soldier" and partly because he is regarded as completely nonpolitical. Gen. Haig, 55, will retire on June 1. He served as chief of staff in the Nixon White House, and was promoted to four stars over many senior officers.

He has dropped hints that he may seek the Republican presidential nomination in 1980. In an interview last week with a news magazine, he said that he was neither ruling out nor planning a political race.

The appointment of Gen. Rogers as U.S. commander in Europe will become effective July 1. Mr. Carter is expected to nominate him as NATO commander next week, and the alliance's Defense Planning Committee is expected to act on the nomination the same week.

As NATO commander, Gen. Rogers would be the leader of 4.1 million fighting men. The U.S. command includes 300,000 ground and air personnel.

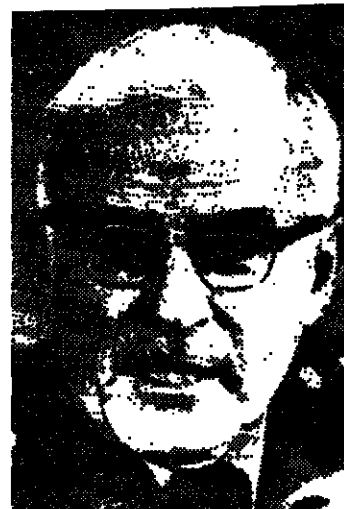
Gen. Rogers, 57, was born in Fairview, Kan., and was graduated from West Point in 1943. He was a Rhodes Scholar at Oxford University from 1947 to 1950, and he served in the Korean and Vietnam wars. He was assistant commander of the First Infantry Division in Vietnam in 1966 and 1967.

He was appointed chief of staff of the Army in 1976 by President Gerald Ford.

It was thought by some sources in Washington that Gen. Rogers might be more loyal than Gen. Haig to the Carter administration.

10 Canada Miners Killed

GLACE BAY, Nova Scotia, Feb. 25 (AP) — Ten coal miners were killed and 6 were injured yesterday in an explosion eight kilometers underground at Cape Breton Development Corp.'s mine here.



Gen. Bernard Rogers

on such issues as a treaty with the Soviet Union to limit strategic arms.

Gen. Haig, who has been sounding increasingly like a Republican politician, has suggested that he has reservations about the proposed arms treaty.

Anglican Church

In Canada Will

Allow Gay Priests

TORONTO, Feb. 25 (AP) — Canada's Anglican bishops have decided to allow homosexuals to become ordained priests, according to the Canadian Churchman, the church's national paper.

Ordination will be conditional on the prospective bishops promising to abstain from sexual acts with persons of the same sex, an article in the March issue says.

The Canadian Churchman article was reported by the Toronto Star yesterday, which also reported an interview with the primate of the Canadian Anglican Church, Most Rev. Edward Wood said the decision was based on the recognition that homosexuality is a social reality.

He said the admission of homosexuality will be a private matter between the candidate and his or her bishop. Public disclosure would hamper the effectiveness and acceptance of a priest in the ministry. "I'm sure there will be many people in the church who will be disturbed by this. . . Both those who feel we have gone too far and those who think it's not far enough," Rev. Wood said.

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STAR 79 - International Trade Show of Carpets & Furnishing Fabrics May 18-22

GEC 79 - International Exhibition of Graphics, Printing & Publishing, Paper-making & Paper-processing Industries May 18-27

35th MIPEL - Italian Leather Goods Market (International Salon) June 7-12

ESMA-EUROTRICOT - European Hosiery & Knitwear Salon June 12-15

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The Oil-Inflation Dilemma

President Carter would now be facing a first-class dilemma over oil and inflation even if nothing had happened in Iran. Any day now, he must decide whether to deregulate the price of oil. Rarely do competing interests involve such a head-on collision.

Mr. Carter should be doing everything he can to restrain the nation's appetite for imported oil. Courtesy of a 1975 law, he has at his fingertips a highly effective way to do that: lift the existing price controls. When oil costs more, people use less.

Mr. Carter should be doing everything he can to restrain inflation, the more so given Friday's grim news that consumer prices are rising at double-digit annual rates. And he has at his fingertips an effective way to do that — by refusing to lift price controls on oil. Higher prices could vitiate other administration efforts to combat inflation.

There is no easy way out of the dilemma, which is why we have in the past recommended the course that is generally advisable when irresistible force meets immovable object: split the difference, deregulate oil prices gradually. But now events — that is, Iran — require a bolder response. America must pay for oil; Iran shows there can be a higher price than money.

Full deregulation of oil prices now might add 6 cents a gallon to the price of gas at the pump. The logic of gradual deregulation is that most of the price rise would take effect later, minimizing the impact during the sensitive current period, while the administration struggles to establish an anti-inflationary psychology.

The world oil cartel delivered one blow to that logic in December when it decided to increase prices 14.5 percent this year. That meant an increase of about 4 cents a gallon. Now, there is another blow. With no oil coming out of Iran, other producer countries are raising prices 5 or 7 percent more; that would add another 2 cents a gallon. In sum, the price increase that might have been tolerable for an oil-inflation compromise is now spent; the nation will be paying higher prices without any anti-inflationary benefit.

The time has come to try breaking out of the decontrol dilemma altogether. In a perfect world, the most sensible way to restrict

oil imports would surely be through the market; higher prices would automatically depress demand. But if higher prices are unacceptable for inflation reasons, there are other ways, admittedly imperfect, to control imports.

One way is with mirrors — through a tax, like the administration's original idea of a wellhead oil tax with receipts to be rebated to the taxpayer. Although people would be recompensed for the higher price of oil, they likely would behave as though the cost to them was real. The same idea might be better applied to a tax at the gas pump, to avoid incorporating higher oil prices in the cost of other products. And some in Congress now seem to prefer a simpler approach altogether, decontrolling prices but imposing a windfall profits tax on producers.

Enacting any such tax would be a struggle. The administration's ingenious wellhead tax proposal met a decidedly chilly reception in the Senate in 1977. It can be imagined that the reaction to a similar proposal would be now that Capitol Hill is infected with such virulent tax-cut fever. And even if the administration were to propose a tax and Congress took to it, that would take months. By that time, the inflation battle is likely to be decided.

There is, meanwhile, another, quicker way to try to break out of the oil-inflation dilemma: control the supply of oil, not just its price. Steps like limiting the use of federal auto fleets or requiring gas stations to close on Sundays could, with minimum inconvenience, induce significant conservation.

There are signs that the administration is considering such steps and may propose them to Congress soon. We hope so, and hope Congress promptly approves. What is lacking so far is a sign of any sense of opportunity or urgency. Iran offers both. Even the most cynical citizen, quick to dismiss the energy "crisis" as a producer plot or political ploy, can recognize the Iranian revolution as genuine. The time is ripe for the president to press the case for reducing America's dependence on foreign oil. It's our guess that in this period of international unease, many people would not only listen but would welcome being told what to do to help.

THE NEW YORK TIMES.

Meeting at Panmunjom

After a six-year hiatus, North and South Korea have resumed their "peace" negotiations. Even as Chinese troops smashed into Vietnam, representatives of the two Koreas met at Panmunjom. They shook hands and exchanged polite greetings for the benefit of photographers, and then held a meeting whose most important agreement was to hold another meeting on March 7.

Normally, communications between the two Koreas is a dialogue of the deaf. Hence, the return to even minimum norms of diplomatic contact, 26 years after the Korean War, is a notable event.

It was South Korea's president, Park Chung Hee, who first proposed resuming negotiations last month. He offered to meet the North's representatives for talks on peace and reunification "at any time, any place and at any level, without any preconditions." These were the most generous terms ever offered by Mr. Park. The interesting question is why North Korea decided to reply affirmatively. There are at least two partially complementary theories.

One holds that it is a prime goal of the North Koreans to encourage withdrawal of the 33,000 United States troops remaining in Korea. By now, the North Koreans know

that when they threaten South Korea, they strengthen American voices opposing President Carter's gradual withdrawal of ground troops.

The second theory emphasizes the present relationship between the North Koreans and the Chinese, whose most vivid expression is Pyongyang's continued recognition of the deposed Pol Pot regime in Cambodia, China's ally. In this view, the affirmative response of the North Koreans was made as the result of pressure from the Chinese, with Peking trying to show Washington that normalization of relations with China can bring dividends in related areas.

For the moment, the important fact is that the two Koreas are meeting. The obstacles in the way of a peace treaty — let alone reunification — are many and substantial. Nevertheless, the new talks have begun under the impress of the most important political changes in Asia since the Chinese-Soviet conflict became completely open in the early 1960s. Both Washington and Seoul need to think seriously about how best to take advantage of North Korea's new attitude to advance the cause of peace in the Korean Peninsula.

THE NEW YORK TIMES.

International Opinion

China's Advance into Vietnam

China's risky and costly advance into Vietnam threatens... a conflict between world powers... If [China] withdraws now, it will be easy for the Vietnamese and the Russians to claim victory. The Chinese action can only be evidence of their fury at the humiliation which Vietnam inflicted on them when it overran Cambodia, and in general for Hanoi's intimacy with Moscow. The present Indochina crisis differs significantly from previous international conflicts in that area — or elsewhere. It is a conflict between local Communist powers with two Communist world powers supporting either side. The fact that the war, both regionally and on the Great Power level, is between Communist countries does not mean that the West should ignore it, or take sides, or try to exploit it to weaken the Communist countries involved. Any conflict involving nations with

nuclear weapons is a deadly danger not only to combatants but to the whole world.

— From the Observer.

White House Weakness

The world, and especially the Western world, is wondering what kind of man we have in the White House... True, President Carter carried on with the rapprochement with China begun by Nixon, and that policy has great potentialities for the future. Yet he is at the same time hooked on the policy of detente with the Soviet Union — China's enemy in the struggle for influence in Asia. He has signally failed to stand up to Soviet encroachments in Angola and the Horn of Africa... There has been a weakening of resolve, which the whole world is noting. In a word, what is lacking is authority... The restoration of that vanished authority is [Carter's] main task in the world now.

— From the Daily Express (London).

In the International Edition

Seventy-Five Years Ago

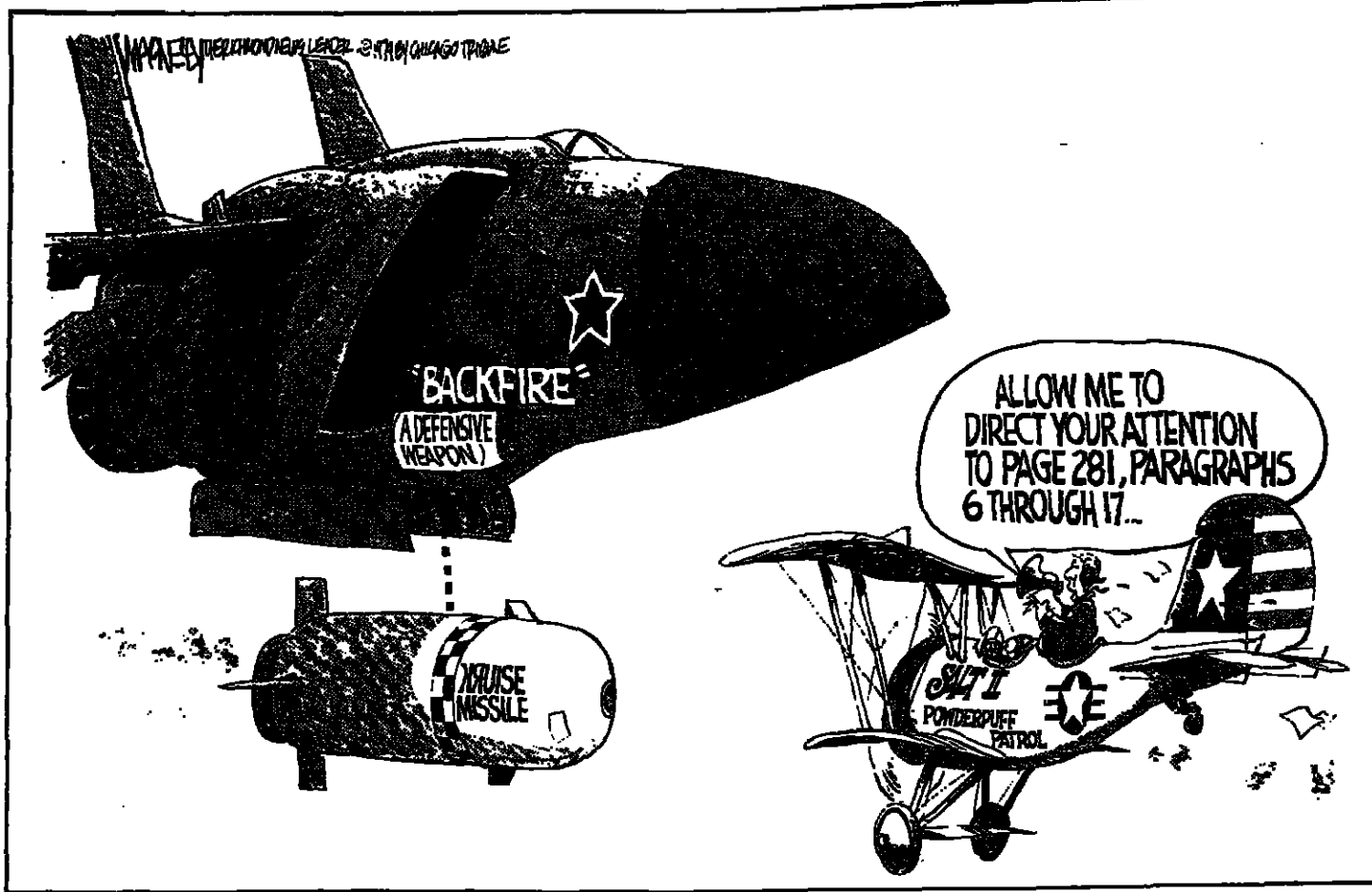
February 26, 1904

BERLIN — Europe is preparing for war. It is reported that Austria expects to have to intervene in the Balkans in cooperation with Russia. Orders have been issued for mobilization. The news that the Turkish Government is concentrating masses of troops on the Serbian frontier has caused great excitement in Belgrade. All is ready for mobilization of the Dutch Army, even officers having been refused leave. Portugal is issuing new rifles to its army, and a representative of Krupp and Sons is in Lisbon instructing the officers in artillery handling.

Fifty Years Ago

February 26, 1929

VIENNA — Fifty arrests, but no bloodshed, resulted here yesterday during the simultaneous demonstrations by 26,000 semi-military Fascists and Socialists. For the first time the Fascist Homeland Defence Corps challenged the monopoly of Vienna's streets, which hitherto had been tacitly conceded to the Socialist organization. The affair was staged in a labor district. The authorities separated the forces by a neutral zone of several hundred yards, where they assembled a sufficient number of neutral armed force members to keep order.



Carter Misreads Arms-Limit Numbers

By George F. Will

WASHINGTON — Several visitors to the Oval Office, including legislators attentive to SALT II, have found President Carter holding mistaken views about what his negotiators already have agreed to. He showed a comparable failure to master the subject of SALT when, in his Georgia Tech speech, he made much of the fact that SALT II will require the Soviet Union to reduce by 250 its number of strategic weapons.

Those will be antique bombers or obsolete single-warhead missiles, most of them liquid-fueled, of the same vintage as the Atlases and others the United States dismantled unilaterally in the 1960s.

As previous administrations have wrongly done, Carter emphasizes numbers of launch vehicles. He does so because numerical equality in that category is one of the few equalities the United States would enjoy under SALT II. It is crude cosmetic equality.

You have a pickup truck, and I have an 18-wheeler; we both have a truck, but we are not equal. Size matters, Carter did not mention that the Soviet Union's size advantage in missiles means that under the treaty that nation is expected to add at least 5,000 warheads to its strategic forces, and thousands more to so-called "nonstrategic" forces, such as the new SS-20, which can strike all installations in Europe. The Soviet Union needs fewer than 3,000 accurate warheads to destroy U.S. land-based missiles. Yet, in Georgia, Carter said SALT II would "contribute to our ability to deal with the growing vulnerability of land-based missiles."

Soviet Advantages

Carter said that without SALT II limits on the size of land-based missiles, and on the number of warheads they carry, the Soviet Union "could vastly increase the number of warheads on [its] large land-based missiles — with grave implications for the strategic balance." Yet, with SALT II limits, the Soviet Union will have a 5-to-1 size (throwweight) advantage, and a 3-to-1 advantage in the number of ICBM warheads.

The agreements would permit replacement of single-warhead missiles (like the Soviet SS-9) by multiple-warhead missiles (like the SS-18, which carries 10 warheads). SALT II "limits" each side to 10 warheads per missile, precisely the number the Soviet Union has on its "heavy" missiles, the number that seems suited to dismantling strikes against U.S. Minuteman sites. The most warheads on any U.S. ICBMs are three, on Minuteman.

SALT II limits on missile sizes deny the United States the right to achieve equality in size. Both sides are "equally" limited to keeping or improving the "heavy" missiles they already have. The Soviet Union has 308, the United States has none.

Avoiding Decision

In Georgia, Carter said that SALT II serves "to protect our missiles." What efforts? Carter has delayed the MX (a mobile, land-based missile) and is unwilling to decide how — or whether — it should be deployed. He is unenthusiastic about multiple shelters for MX, and the decision to study launching MX from airplanes looks like merely a way of avoiding a decision.

Carter said SALT II is "adequately verifiable" by "independent" technical means. But range limits on Cruise missiles are not; neither are limits on production of mobile ICBMs; neither is compliance with some of the limits on improvements of existing ICBMs. Neither is the prohibition on improvements to the Backfire bomber. The administration does not even seem to know what Backfire's current capabilities are.

Although SALT II is "linked," in many senators' minds, to restricting the administration's response, the substance of SALT II is so disarming to so many senators that the substance alone would be enough to prevent SALT II from being approved as negotiated.

The administration will not be able to dismiss opposition as "partisanship." Some Republicans will support Carter, and a larger number of Democrats will oppose him. And those, like Edward Ken-

nedy of Massachusetts, who say that opposition to SALT II could cause a "return" to the Cold War, will be hard-pressed to explain how today's conditions are an improvement upon the Cold War.

The Carter administration will not be able to stigmatize opponents as "against arms limitation." The opponents' approach will be positive — perhaps a series of improving amendments, including ones stipulating that:

- All bombers capable of intercontinental range shall be counted against overall SALT totals.

(Carter's agreements count all such U.S. bombers — including the four B-1 bombers built as test prototypes — but does not count Soviet Backfires.)

- The United States shall have the right to as many "heavy" missiles as the Soviet Union is entitled to. (Again, Carter's agreements allow the Soviet Union 308, the United States zero.)

- Limits on U.S. Cruise missiles shall be linked to limits on Soviet ballistic missiles, so that all missiles of medium range shall not be counted in SALT II totals.

(Carter's agreements limit ground- and sea-launched Cruise missiles — even those without nuclear warheads — to a 600-kilometer range, but place no limits on Soviet deployment of the new SS-20, a multiple-warhead missile that has a range of 4,000 kilometers.)

You may well wonder how — or why — Carter will tell the American people that such amendments are unacceptable. Carter probably will argue that no amendments are acceptable because the Soviet Union will reject the agreements if any changes are made. That is the administration's style.

Khomeini's Clash With Marxists

By Don Cook

PARIS — "We deplore the outrages which accompany revolutions but the more the violent outrages, the more assured we feel that a revolution was necessary," wrote the English historian and essayist, Thomas Babington Macaulay.

"The violence of these outrages will always be proportionate to the ferocity and ignorance of the people; and the ferocity and ignorance of the people will be proportionate to the oppression and degradation under which they have been accustomed to live."

To the ongoing rattle of machine-gun fire and the continuing publication of summary-execution lists, the 2-week-old Iranian revolution has rapidly plunged into a new and decisive phase. It is now turning into a struggle between the old Islamic conservatives and the young Marxist leftists, who joined forces in overthrowing the monarchy but who are worlds apart on what the revolution is all about.

Macaulay was writing of the French Revolution, in which the guillotine was put to work impartially, chopping first the heads of royalty, then those of the people who overthrew the king, followed by those of the ones who executed those who overthrew the king. It was the same with the Russian Revolution, although it took somewhat longer for Stalin to purge and execute the old Bolsheviks who ran the revolution under Lenin and executed the last of the czars and his family.

Clash Inevitable

Is Iran plunging into the same historic cycle in which the revolution devours its children? It is too early to tell. But it has been clearly and predictably ever since the wave of popular support for Ayatollah Ruhollah Khomeini began to gather momentum in Iran months ago that a clash was inevitable between the two competing revolutionary concepts — the Marxist and the Islamic. It is better that it has come soon.

The speed with which the ayatollah has turned on the leftist groups that rallied to his leadership in overthrowing the shah is ample proof — if any further proof is needed — that his Islamic revolution has indeed been an overwhelmingly indigenous movement, and not any imported made-in-Moscow uprising. Meanwhile, Ayatollah Khomeini's premier, Mehdi Bazargan, who is more than 70 years old, is scarcely less an Islamic conservative than the 78-year-old ayatollah himself. Bazargan has put together a government of men almost all in their 50s or older, most of them Western-educated and none identifiable by any label except "pragmatic."

It is probable that the most leftist on the ministerial list is Ibrahim Yazdi, one of the men who joined Ayatollah Khomeini in exile in Paris. Yazdi, from Baylor University in Texas where he was a cancer-research specialist, soon became the ayatollah's principal contact with reporters, and is now a deputy premier and almost certainly a member of the shadowy, secret revolutionary council that directs affairs from behind the scenes. Yazdi's leftistism is scarcely more than that of European socialism.

It is not very surprising, therefore, that the militant leftists in Iran — the Tudeh Communists, the Mojahedeen and the Marxist Islamic Fedayeen — are now clamoring that they are being denied the fruits of the revolution, and want a

piece of the action and the power. The very fact that they have shown such open frustration and irritation with the ayatollah seems to be a pretty reassuring sign that even the secret revolutionary council is loaded against the extreme left, which is, thus, so far more or less neutralized.

Paradoxically, the ayatollah probably owes a certain debt of gratitude for this situation to the exiled Shah Mohammed Reza Pahlavi and his secret police, SAVAK. The Tudeh Party, founded during the war in 1942 when the Soviet Union had military forces in Iran along with the British and the Americans — was outlawed in 1949, and of course has been under relentless police harassment along with other leftist groups until only a few months ago.

Additionally, the Tudeh Party, having set up headquarters in East Berlin with Moscow money and control, made a large tactical error by failing to jump on the Khomeini bandwagon when it began to roll. It was not until early January that the Tudeh had to accept that it was going to be a Khomeini revolution and a Communist revolution, and they had better get with it.

Ayatollah Khomeini, therefore, owes no political debts to the Communists, even if he had any political sympathy with communism, as clearly he does not.

All the same, there are still hundreds of thousands of weapons floating around in private hands in Iran, and if there is one Marxist slogan the leftists will cling to in this situation, it is "Power comes out of the barrel of a gun." Moreover, on the Khomeini side of the picture, although a government has been named and installed in the various ministries, it is by no means yet clear whether it is a government authorized to exercise real power.

The government of Premier Shahpur Bakhtiari held office but could not exercise power. In the end, two weeks ago, it simply melted away like butter in the sun when the army commander declared the

army neutral in the struggle and ordered all troops back to barracks.

And so the Iranian political situation within the next few weeks may well turn a full circle — with the stability and power of the Khomeini revolution as much dependent on support of the armed forces as were the Bakhtiari government and the regime of the shah. If the militant leftists will not lay down their arms and join docilely in the Khomeini revolution, who is to disarm them? There is a limit to lawlessness whatever the politics of revolution, and sooner or later a government must be able to impose law and order if it is to govern.

It was pretty clear from events leading up to the final days of the Bakhtiari government that Ayatollah Khomeini's support was widespread at least in the soldier ranks of the Iranian forces. From this it is reasonable to deduce that there is also plenty of support for the Islamic republic in the officer corps as well. Certainly the Iranian military, as a result of the shah's indoctrination, if nothing else, is strongly anti-Communist. In the end, therefore, there appears to be a natural alliance between the armed forces and a conservative Islamic regime.

But at this crucial juncture Iran has a military establishment without any commanders and with no defined role. Until this element in the Iranian power equation is resolved, the power base of the Khomeini revolution is not totally secure.

Without much doubt, the Communists and the Marxists have digested their revolutionary histories, and are as aware as the ayatollah seems to be that this is the most fragile time of all — when power has been won but is still to be consolidated.

It would not take much to trigger a new wave of violence and begin the cycle in which the revolution devours its children.

Don Cook is the Los Angeles Times correspondent in Paris.

Letters

Who Tortures?

So much is being written about the degrading practice of torture. But who are these creatures who perform the tortures. Are they human?

EDITH SEELIG.

Lugano, Switzerland.

Newspaper Posters

Do not the contributions from your readers to the Letters column have somewhat similar functions to those of the wall posters in Peking?

JOSEPH DACH.

Zurich.

Letter Etiquette

I have little expertise and about as much interest in the niceties of punctuation. Nevertheless, I am writing in support of Mrs. Smith of Paris. (Letter in IHT, Feb. 15.) It seems to me that you have two choices when you receive a letter from a reader. If you do not consider the point it raises interesting, you do not publish it. If you find the letter worthy of your reader's attention, you publish it including, if this seems warranted, an editor's note addressing the subject of the

letter. Publishing a letter under an ambiguous title, easily interpreted in a sarcastic way, with a sic in the body and a sarcastic editor's note is an example of petty arrogance unworthy of a newspaper with a well-deserved international reputation.

SANDRA L. ANDERSON.

Paris.

Scouting Republicans For 1980

By Tom Wicker

WASHINGTON — Since President Carter suddenly is being low-rated again by politicians alike, maybe it's time to look at the chances of the Republicans who'd like to replace him. Here's the scouting report of knowledgeable party leaders on what he refused to call the "R" candidates:

Ronald Reagan — The former California governor, who took the nomination away from Gerald Ford in 1976, is the acknowledged front-runner, who doesn't necessarily mean that it has the nomination locked up. It does mean that he starts with solid base of about 30 percent of the potential delegates.

Front-runner status and the experience of 1976 also mean that Reagan will be amply financed. His national organization and campaign staff are rated head to shoulders above any others in the party, and the candidate himself is one of the best personal campaigners in American politics. But Reagan's liabilities are substantial. He would be the oldest president ever inaugurated, would be 70 years old two weeks later. Many Republicans, hark back to the Goldwater experience of 1964, question whether a candidate so forthrightly conservative can win a national election. As some of Reagan's conservative supporters may be siphoned off to the candidacy of Rep. Philip Crane, Illinois, a younger and even more conservative aspirant.

It's not clear, moreover, what Reagan's front-runner status means that a primary defeat or two would explode his chances, or whether experience and standing in the party mean that he could more easily survive such mishaps than a less known candidate.

John Connally — The former governor of Texas and secretary of the Treasury may be underrated the press because of his swing from the Democrats to the Republicans and because of his prominence in the Watergate-related price controversy. Despite these disadvantages, however, he is a charismatic personal campaigner whose tough-style may be tailored for a post-Vietnam era in which many Americans seem to feel they are being pushed around in the world. He will be well-financed and well-liked and it may well be that a Republican showdown will come between Connally and Reagan in the Texas primary. It may be Connally's home state; it has always been Reagan's stronghold.

George Bush — But is Geo. Bush, the son of former Connecticut Sen. Prescott Bush and a businessman transplanted to Houston, really a "Texas candidate"? One of his major handicaps is that he still seems as a "Connecticut Yankee" or "a Yale in a vest" party that is heavily Midwest Western and Sunbelt in its outlook. Bush's other handicap is that he is not well known. But as Jim Carter showed, an early prim victory in the age of television (turn an unknown into a household name overnight). Bush is work hard and is reported to be organizing well in New Hampshire elsewhere, recognizing that needs a victory in the first round primaries if he is to survive into a later campaign.

His major asset, of course, is as a former UN ambassador, director and American representative in China, he has had more foreign affairs involvement than any other Republican candidate. As Senate Republican Leader, Baker has the chance of any of these men to demonstrate his leadership qualities which will be challenged, for example, by the direction he takes in ratification of a strategic-arms limitation treaty. He is given high marks for his performance so far, particularly in helping secure a revival of last year's Panama Canal treaties.

Even though the treaties are not popular with most Republicans, Baker still is regarded as being "few negatives and no enemies" within the party. That fact and middle-road position on most issues gives him a solid base for campaign. He is, however, not only uninterested in organizational matters and has as yet no campaign staff.

Gerald Ford — The former president apparently is not planning enter any primaries, but will be available as a compromise choice no candidate has clinched the nomination by the time the national convention opens in Detroit, in home state. Ford just might be that by then two or three of the four other major candidates to split the delegates — but said nothing.

Replacing Concept of Arab Nationalism

Iran Leaders See Spread of Islamic Revival

By Youssef M. Ibrahim

TEHRAN, Feb. 25 (NYT) — The Islamic rulers of Iran believe that the success of their Islamic movement here will have a revolutionary impact on neighboring Arab countries and may reach beyond the Arab circle to stir change in Third World countries in which Islam is the dominant religion.

Senior officials of Ayatollah Khomeini's government are convinced that of all the Arab countries, Egypt is the most vulnerable to an Islamic uprising similar to the one that led to the ouster of the late President Nasser.

These officials say that the time is ripe for Islam to replace the crumbling concept of Arab nationalism and to become the unifying element for Arab nations.

The Iranian leadership is careful to declare that it will not "export" its Islamic revolution, but spokesmen for the government say that the fervor that has swept Iran is bound to infect neighboring coun-

tries and that Iran is doing nothing to discourage it.

"The success of the Islamic revolution in Iran has shown Arab neighbors that Islam provides the ideological basis for change within Muslim countries and can also replace Arab nationalism as a rallying point for Arab people," said Dr. Ibrahim Yazdi, who as deputy premier for revolutionary affairs is one of the major figures in the government of Ayatollah Khomeini.

"I think a new era of Islamic struggle and a new Islamic awareness have been triggered by our revolution. From now on, all Islamic movements that were dormant or apologetic in their approach to change or action will come out in the open in the Arab world and in the Muslim world," Dr. Yazdi said in an interview at his office.

Dr. Yazdi and two other senior aides said that they felt Egypt was the country closest to the sort of explosion that brought an Islamic government into power here. They

said that the Egyptian situation has many "parallels" with the political situation in Iran under the shah.

"Economically, Egypt is in a very critical situation," Dr. Yazdi said. "Politically, [Egyptian President Anwar] Sadat has lost the game. The Egyptians have looked to the West and then to the East and then to Arab nationalism without finding the answer to their problems. Now what we see in Egypt is an ongoing Islamic ideological revolution and it is bound to get a big boost from our success."

The Iranians said they believe that the Islamic Brotherhood movement, which has grown immensely in Egypt since 1973 and is openly organizing itself as a potent force in the Egyptian political theater, will lead an upheaval there.

"We feel much closer to the Muslim Brotherhood in Egypt, because they consider Islam a way of life, and we think that if we start a dialogue with them we can move them closer to our democratic ideas and our revolutionary beliefs," said Hossein Bani-Assadi, son-in-law of Premier Mehdi Bazargan and another important figure in the Muslim movement of Ayatollah Khomeini.

Both Dr. Yazdi and Mr. Bani-Assadi said that the Muslim Brotherhood is also beginning to stir in the Sudan, among the Palestinians, and in other Arab countries. "We have not had a chance to talk to them yet, but we are sure contact will be made soon and we will be very glad to start a dialogue with the brotherhood," Dr. Yazdi said.

Different Goals

He acknowledged that the Muslim Brotherhood, which was founded in Egypt in 1929, does not advocate the economic and educational programs to which the Iranian Islamic movement is committed — such as an interest-free banking system and a fundamental reorganization of the economy, education, and the armed forces. But he added that the Egyptian dissidents are "open-minded and sincere and their attitude is already being revolutionized by the events in Iran."

The hostile focus on Egypt by the new regime here may be partly motivated by a deep resentment of the policies and actions of Mr. Sadat, whom many Iranians identify with the exiled shah. Mr. Sadat has not endeared himself to the new rulers of Iran by his ambition to take over the role of Iran "as a policeman of the Middle East" and his reported decision to replace Iranian troops that were fighting against Marxist rebels in Oman with Egyptians. Moreover, many Iranians were upset by Mr. Sadat's offer to receive the shah upon his departure from Iran last month and the royal greeting that he accorded the shah.

The apparent affinity felt here toward the Arab world also stems from the Islamic bond that Iran shares with the Arabs of the Middle East and North Africa and a long-simmering resentment of Israel. Iranians here believe that Israel was a major supporter of the shah and that Israeli experts helped to train the Iranian secret police, SAVAK, though no evidence of this has been submitted publicly.

The Islamic regime of Iran feels closest to the ruling regimes of Algeria and Libya. "Among all the Arabs, they are the closest to our idea of an Islamic government," Mr. Bani-Assadi said. "Libya accepts Islam as a way of life and Algeria gives more value to the religion."

Rhodesia Is Said to Bomb 2 Black Camps in Zambia

LUSAKA, Zambia, Feb. 25 (AP) — Rhodesian bombers struck a guerrilla military base about 10 miles northwest of Lusaka, three hours after a similar raid on a black nationalist camp, it was learned yesterday.

Official Zambian reports initially said that the second strike on Friday was against another refugee camp to the south of the capital, but later were revised to say it was against a farm to the northwest. Black nationalists made no mention of the second strike.

But Western journalists inadvertently were shown the site of the second attack, a training base for guerrillas of Joshua Nkomo's Zimbabwe African People's Union.

Government and police officials said that the press would be shown the results of the Rhodesian strike against "innocent" refugees. But the police chief mistakenly took them to the military camp, where they were refused entry and hastily driven back to the capital.

Rubble Is Visible

The ruins of several buildings that had apparently been destroyed by bombs could be glimpsed through the thick elephant grass, and Zambian soldiers stared grimly at the group from atop a personnel carrier.

The attacks began Friday with a strike against the Nampundwe camp, described as a refugee transit camp, 22 miles west of the capital. About three hours later, four bombers returned to Nampundwe for what was believed to be a reconnaissance mission, while two others attacked the guerrilla base 10 miles to the north.

Witnesses said that the planes bombed the base for 10 minutes before disappearing. The second camp usually contains several thousand guerrillas. It was not known how many were killed or wounded.

During the attack, one of the bombs fell off target, witnesses said, hitting a house adjacent to the camp and killing a family of six.



JAPAN JUBILEE — Men dressed like servants of the Edo period (1603-1867) lead a procession in Tokyo. About 100 persons acted as servants, pages, waiting women and warriors to promote tourism in Hakone, which was strategically important during the period in which Edo was the imperial government seat. The celebration attracted 50,000 spectators.

Tanzanian Thrust Reaches Key Garrison Town

Uganda, on Defensive, Asks Military Aid

NAIROBI, Feb. 25 (UPI) — Uganda admitted today that its forces are being overwhelmed by a Tanzanian invasion, and it appealed to friendly countries to send troops and equipment to stem the attack.

Radio Kampala, monitored here, quoted a Ugandan military spokesman as saying that an invasion force of 20,000 men has reached the major garrison town of Masaka, 70 miles south of the capital and 50 miles from the Tanzania-Uganda border, and that "fierce fighting" was going on there. The broadcast was the first confirmation from the Ugandans that the attackers have reached Masaka.

The spokesman said that the attacking force comprised Tanzanian regulars, Ugandan exiles and "mercenaries" armed with sophisticated weapons. The broadcast reported that he said that after studying the gravity of the situation in the current fighting, Uganda is appealing to "all friendly countries in Africa, [the] Arab [world], [the] Third World, socialist countries [and] the Palestine Liberation Organization to come to the rescue of the people of Uganda."

He said that they should "immediately help Uganda in any form, especially by sending troops [and] military equipment," the broadcast said.

Stunning Blow

The loss of the town, which is the headquarters for President Idi Amin's troops in southern Uganda, would represent a stunning blow to his regime, now in its eighth year.

The Tanzanians, while not denying that their forces have crossed into Ugandan territory, maintain that the fighting around Masaka is being carried out by "Ugandan resistance forces," including exiles and rebellious army units.

Whatever their composition, Western analysts agreed that the

broadcast exaggerated the size of the attacking forces by two or three times. The radio said that Ugandan soldiers were fighting a "very difficult" defensive war. The radio quoted Marshal Amin as saying that he would not order his troops onto the offensive, because he was waiting for the results of a pan-African attempt to mediate a peaceful solution to the conflict. The mediation attempt, which was carried out by a committee of the Organization of African Unity last week, was an apparent failure. The committee concluded its work without announcing any results.

In the contradictory tone common in Ugandan radio broadcasts, the radio said that Marshal Amin met with his defense council until 5:30 yesterday morning, and decided to send his troops on the offensive. It said that Ugandan forces would need immediate reinforcements of men and equipment, and advised residents of the area of the fighting to flee before the Ugandans go into action.

The spokesman was quoted as telling Ugandan soldiers to die an honorable death and to never reveal any information about Uganda to the enemy. The tone of the broadcast clearly indicated that Marshal Amin is more threatened now than at any time previously.

Arab Advisers in Uganda

DAR ES SALAAM, Tanzania, Feb. 25 (UPI) — About 1,000 Arab military advisers arrived in Uganda recently to prop up the faltering Amin regime, Tanzanian reports said today.

The information, from operatives of the Save Uganda Movement (SUM), one of the groups fighting to overthrow Marshal Amin, said that newly arrived Moroccan and Palestinian soldiers were training Marshal Amin's army, reportedly plagued by mutinies and desertions.

SUM said that anti-Amin guerrillas yesterday tried but failed to assassinate an official of the Palestine Liberation Organization in the eastern Ugandan town of Jinja. It said that three Ugandan guards and two servants were killed during the attack.

Marshal Amin has had close ties with the PLO and conservative Arab states since he broke ties with Israel soon after seizing power eight years ago.

Tax Collection, Arms Exports Hit

Civil Service Strike Slows U.K. Government Machine

LONDON, Feb. 25 (UPI) — Government code clerks today began refusing to encipher and decipher secret messages. Government computers, including those dealing with arms exports, customs duties, collection of \$1 billion a week in taxes, payments of \$300 million a week to industry and \$12 million a week to farmers, were being switched off.

All courts in Scotland will stop tomorrow. No new coins will be dispatched from the Royal Mint. The national savings lottery will halt.

Civil servants have "declared war on the government," the Sunday Telegraph newspaper said in the only edition it was allowed to print before it was closed by a strike. The "selective and indefinite" civil service strike scheduled to begin at midnight tonight actually began this afternoon.

Meanwhile, leaders of unions in the state-owned coal mining industry were to meet with Prime Minister James Callaghan tomorrow to demand a 30-percent pay increase. The largest of the public service unions, whose strike has interrupted garbage collection, cut hospital and ambulance services to emergencies only and closed hundreds of schools, was voting today whether to accept an 11 percent wage increase.

Still to come were wage demands from electric-power workers, doctors, dock workers and other groups which could cause disruption worse than Britain has seen so far.

Mr. Callaghan plans a 50-minute interview on television tomorrow evening to drive home his determination to hold the line against civil service and other public-sector strikes.

Mr. Callaghan first insisted that no one could get more than 5 percent in wage increases this year. Some unions, by striking, won 17 percent or more. Mr. Callaghan's new limit is 9 percent.

The 1,300 striking civil servants are demanding increases up to 36 percent. The prime minister has denounced their strike as unjustified.

Iran Air to Cancel, Delay Jet Deliveries

TEHRAN, Feb. 25 (AP) — Hushang Tajaddod, the new managing director of Iran Air, said today that the airline had decided to drop its option for two supersonic Concorde and will try to delay delivery of two Boeing 747s scheduled for June or July.

He said that negotiations were under way to cut orders for six European Airbus, and that he will try to delay delivery of those Airbus that Iran Air ultimately decides to take.

Hitler-Plot Trial

Shown in Secret

Nazi-Made Film

BERLIN, Feb. 25 (Reuters) — Nazi film of the trials of dozens of German officers involved in a 1944 plot to assassinate Hitler was shown here today for the first time.

The West German film "Secret Reich Affair" showed court statements by senior officers who planned to seize control after the assassination of Hitler by Count Claus von Stauffenberg on July 20, 1944. The attempt failed, and the plotters were rounded up.

The film was secretly made by cameras concealed behind a swastika flag in the courtroom and behind a door. It was ordered by Propaganda Minister Josef Goebbels, but he had copies destroyed when it became clear that it showed the Nazis in a bad light.

Only one copy of the film survived and it had not been publicly shown before. The film shows the infamous Judge Roland Freisler, who sentenced more than 1,000 persons to death, screaming in rage at each of the accused. The officers, most of them from the Prussian aristocracy, refused to recant their belief that Hitler was an evil maniac who was destroying Germany. Almost all of them were hanged.

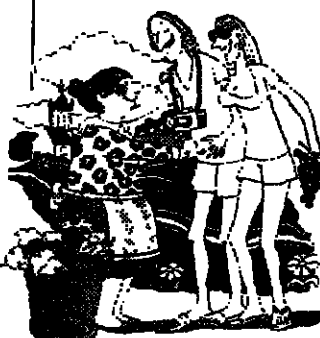
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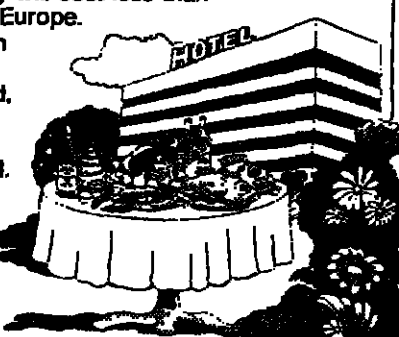


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Iraq Reopens

Syria Oil Line

DAMASCUS, Feb. 25 (AP) — After a two-year, oil began flowing again yesterday through the 650-kilometer pipeline linking the Iraqi oil fields and the Syrian Mediterranean port of Baniyas, the official Syrian news agency reported.

Iraq cut off the oil in April, 1976, when the two states were in dispute over differences between rival wings of the Baath Party, ruling in both capitals.

The pipeline reopening follows reconciliation between Damascus and Baghdad, brought about by their rejection last year of U.S.-inspired Camp David agreement for a Middle East settlement between Egypt and Israel.

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New York Stock Exchange Weekly Bond Sales

NEW YORK (AP) - The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices of which these securities could have been sold (not asked) or bought (not asked) at the close of trading.	Alcoa 68 1/2 Alcoa 69 1/2 Alcoa 6
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From market**Investors Shunning Bond Markets Amid Fears of Rise in Coupons**

By William Ellington

NEW YORK, Feb. 25 (AP-DJ) — Low of funds into nearly all of the international bond market dried up last week as investors apparently became convinced the safest place for the cash in their portfolios is in term investments.

West Germany, Switzerland and Japan, there were indications authorities are tightening credit conditions to counter the inflation effects of higher oil prices. Such circumstances, very term investments should be attractive because they are viewed at higher returns as interest rates move up and they also protection against capital at a time when bond prices are likely to move down.

Investors are another reason for avoidance is that there are many political uncertainties. The Chinese invasion of Vietnam and the overthrow of the government have led the list of the world seems to be dot-trouble spots from Afghanistan to Zaire, bankers say.

Almost total lack of investor activity in the international bond market left underwriters with a lot of unsold bonds this week. This particularly so for dollar-denominated Eurobonds.

Although the offering price on 200-million, 15-year issue of Chemical Overseas Capital was lowered to 99 from the stated price of 99 1/2, buyers still not attracted. In after-market trading, the issue, which is a coupon of 9 1/2 percent, fell 1/4, for a loss of 1/4 percent, raised the yield to maturity to 10.06 percent from the offered 9.76 percent. Underwriters said that the rela-

tively low maturity was just what investors were trying to avoid at this time. Furthermore, dealers said that over the past two weeks investors have been shunning paper yielding less than 10 percent because of concern about accelerating inflation.

An even worse fate was meted out to a \$50-million, 10-year convertible for Honda Motor, after being priced at par bearing a semi-annual coupon of 5 1/2 percent, the issue collapsed in after-market trading to around 94 1/2 — one of the biggest declines seen for any offering in recent years.

Despite grumbling of market participants about the issue's relatively low coupon rate and the parlous state of the Tokyo stock market, managers fixed the conversion price at 532 yen per share, or nearly 10 percent above the 484-yen stock price at the time of the offering. The conversion premium was apparently too high for investors.

Given some uncertainties about the quality of the borrower, a 10-percent coupon on a \$50-million, five-year issue for Portland General Electric failed to generate any enthusiasm among investors. The issue was priced at 99 to yield 10.27 percent at maturity but traded as low as 96 1/4 before moving up to 96 1/2-96 3/4 Friday.

A prospectus issued in connection with the offering showed that the company's first mortgage bonds, which have a prior claim, totaled \$642.4 million on Nov. 30 compared with a net worth for the company of \$624 million on that date. This leaves Eurobond investors with no asset protection in the event of reorganization. Current liabilities of \$186.1 million were

New York Stock Market

By Vartan G. Vartan

NEW YORK, Feb. 25 (NYT) — Last week, American Telephone and Telegraph Company raised its dividend, bond prices slumped, casino stocks went wild for a day or two and investors who weren't worrying about inflation expressed concern over the Chinese invasion of Vietnam. The net effect of it all, along with other assorted factors, was to send the Dow Jones industrial average down 3.73 points to 823.28.

Meanwhile, as they dug out from the snow blanketing much of the Eastern seaboard, analysts were pondering the future of the stock market. One of the recurring wonders of Wall Street is that even the near-term market skeptics savor a few favorite stocks. Argus Research Corporation, for example, envisions the following scenario for equities: bearish over the next 3 to 6 months, bullish for prospects 6 to 12 months out.

The advisory service holds to the view that the stock market, at least if it follows the pattern of previous cycles, won't hit its final bottom until after interest rates have peaked.

Possible 100-Point Drop

"The downward adjustment of earnings expectations in the face of the initial drop in interest rates could bring the market down as much as 100 points as measured by the Dow — and perhaps induce greater declines among secondary stocks," states Joseph McAlinden, director of research.

But storm clouds over Wall Street can carry silver linings. Mr. McAlinden adds: "That decline, if and when it comes, could prove an extraordinary buying opportunity, for the longer-term consequences of these events are extremely bullish."

His thesis is that, once earnings expectations absorb their hammering, "the positive force of falling interest rates should assume predominance, and the next cyclical market expansion would then get under way."

The Dow industrials can expand into the low 700s by midyear, according to Mr. McAlinden, but after that he envisions a spectacular rebound carrying the industrial average possibly as high as 1,200 by 1981.

So where can an investor hide for the next few months or so? Argus selects no less than six areas that it says can provide insulation from the coming general decline in corporate profits.

The baby-products business, for example, should benefit from the rising more than twice current assets of \$79.9 million.

And investors could have some concern about the utility's future revenue stream. Among other things, the prospectus said that, in common with the industry in general, the company has been experiencing difficulties in obtaining an adequate return on invested capital and in financing a large construction program on terms and costs of capital historically considered reasonable. The prospectus added that Portland General Electric was facing restrictions and delays on operations and construction attributable to environmental considerations. Another problem listed was the necessity of expanding substantial commitments for future facilities prior to obtaining all requisite regulatory approvals. The prospectus also said the company was having

(Continued on Page 9, Col. 1)

Foreign Unrest Spurs U.S. Futures Prices

By Sue Shellenbarger

CHICAGO, Feb. 25 (AP-DJ) — Commodity traders looked overseas for price-moving news last week, as unrest in Iran and fighting in Vietnam helped push silver, gold, copper, platinum, meats and soybean futures to new season highs.

Silver futures surged 24 cents farther into record territory, closing Friday on New York's Commodity Exchange at \$7.88 an ounce for the March delivery — 30 percent higher than nearby delivery contracts were six weeks ago.

Other metal futures rose to life-of-contract highs. Gold futures gained \$6.10 an ounce, nearing record levels; copper rose 2.75 cents a pound and platinum \$9.50 an ounce. London cash gold set a new closing record Thursday of \$253.37.

The general surge in commodity prices came as the week's political and economic uncertainties spurred a desire to own hard goods rather than currencies, and to speculate in their changing prices, analysts said.

A seven-week cutoff of Iranian oil exports continued, and an Iranian official's statement that they soon would resume was viewed skeptically by traders. Tension between China and the Soviet Union heightened as China's invasion of Vietnam ended its first week. Libya raised its oil prices, and Federal Reserve Chairman G. William Miller said that inflation and high interest rates could continue through 1979.

"I don't see any end to the price spiral as long these tensions continue," said an analyst. "An inflationary psychology in general is a bullish force in all commodities," commented a Midwestern grain broker, "and we have rampant inflation

kindling and rekindling those fires all the time."

By week's end, some futures markets were rumor-weary, and price movements in metals and soybeans were erratic.

"It's a gut-twister," said a silver trader of his occupation as he stepped out of the silver pit on the Chicago Board of Trade Friday. "I've never seen a tougher market to trade."

Fundamental factors encouraged buying in silver futures. India reduced its silver exports, warehouse stocks were dwindling and industrial demand was strong. By the week-end, however, an increase in Comex silver stocks was reported.

Gold futures surged briefly to new life-of-contract highs Thursday before a government gold auction. But the auction was less bullish than expected, with 24 bids received for 1.5 million ounces, compared to 41 at the last monthly auction. Winning bids ranged from \$251.76 to \$254.16 an ounce.

Lackluster Currency Futures

The nearby copper-futures rise of 2.75 cents a pound was reflected in one U.S. producer's upping its price to a per-pound record of 95 cents. Analysts said that a high-quality copper shortage, low producer inventories and continuing strong industrial demand despite earlier predictions of a recession helped generate the surge. A sharp dip in U.S. stocks of refined copper during January was reported. By Friday, nearby copper futures had gained 24 percent over their mid-January price; platinum futures had gained 21 percent, and gold futures had risen 16 percent.

Although the price of precious metals often moves in the opposite direction from the value of the dollar, major foreign currency futures on the Chicago Mercantile Ex-

change were lackluster, closing slightly lower against the dollar.

On the Chicago Board of Trade, soybean futures hit new life-of-contract highs, closing 16 1/2 to 23 1/2 cents higher at \$7.73 a bushel for the March delivery — 11 percent higher than six weeks ago.

A growing conviction that Brazil will reap a less-than-record soybean crop this spring supported prices, analysts said. "The general feeling is that we have irreparable damage to the Brazilian crop, and all the rain in the world is not going to change that," an analyst said.

Crop forecasters visiting Brazil for brokerage houses and exporters returned with estimates of the crop size. Some predicted an 11-million-bushel harvest; last fall, the government predicted 13 million.

Analysts reported continuing interest by the Soviet Union in importing vegetable oils because of a shortfall in its sunflower seed crop. India, another important buyer, reportedly bought soybean oil.

An industry report showed that domestic processors crushed 19.9 million bushels of soybeans last week, indicating continuing strong demand, and soybean exports last week more than doubled over the previous week's levels, the government said.

Farmers continued to sell soybeans at a slow pace. "The farmer has a pretty good game plan. He's scaling out his production, selling 10 percent here and 10 percent there, following a careful program," explained a grain broker. "On price dips, we can't buy anything."

The wheat and corn markets were fairly quiet, with wheat closing 4 1/4 to 6 1/2 cents a bushel higher and corn 1 1/4 to 2 1/4 cents lower.

On the Chicago Mercantile Exchange, nearby cattle futures gained 1 1/2 cents a pound, making

life-of-contract highs Wednesday and shattering their Friday.

Higher cash prices for cattle and strong demand for beef were factors, analysts said. Numbers of animals offered for slaughter were relatively small. Analysts said that they saw no signs of change in the current bullish influences, which include shrinking cattle herds and already tight supplies of non-fed beef for such cuts as hamburger.

Nearby hog futures were about .05 cents a pound higher by week's end, after scoring life-of-contract highs Wednesday. Higher cattle prices and reports that this year's severe winter weather may have caused a larger-than-usual death loss in hog herds were factors.

Nearby pork-belly (bacon) futures closed the week .28 cents a pound lower, after the government released a report on supplies in cold storage that showed larger than expected amounts of bacon on hand.

In other markets, nearby cotton futures fell 1.61 cents a pound; coffee futures gained 6 cents a pound; orange juice futures declined 5.25 cents a pound as the "freeze-scare" season in citrus areas drew to a close without substantial crop damage; cocoa futures rose 2 cents a pound; Maine potato futures were .13 cents a pound higher and sugar futures rose .04 cents a pound.

3 Loot Dutch Barracks

THE HAGUE, Feb. 25 (UPI) — Three armed men today overpowered the guard of Detmold Barracks in eastern Holland, escaping with four carbines, a rifle and 30 rounds of ammunition, an army spokesman said. He added that the attackers locked the commander of the guard and three men in a prisoner's cell.

Over-Counter Market

Sales In	100s	High	Low	Last	Chg
DAI 10	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 20	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 30	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 40	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 50	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 60	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 70	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 80	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 90	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 100	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 110	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 120	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 130	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 140	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 150	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 160	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 170	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 180	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 190	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 200	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 210	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 220	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 230	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 240	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 250	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 260	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 270	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 280	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 290	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 300	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 310	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 320	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 330	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 340	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 350	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 360	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 370	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 380	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 390	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 400	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 410	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 420	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 430	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 440	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 450	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 460	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 470	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 480	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 490	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 500	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 510	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 520	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 530	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 540	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 550	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 560	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 570	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 580	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 590	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 600	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 610	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 620	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 630	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 640	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 650	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 660	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 670	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 680	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 690	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 700	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 710	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 720	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 730	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 740	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 750	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 760	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 770	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 780	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 790	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 800	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 810	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 820	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 830	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 840	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 850	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 860	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 870	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 880	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 890	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 900	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 910	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 920	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 930	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 940	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 950	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 960	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 970	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 980	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 990	23 1/2	9 1/4	9 1/4	9 1/4	0
DAI 1000	23 1/2	9 1/4	9 1/4	9 1/4	0

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Close to 3 billion dollars managed in 24 separate loans, with participations in 15 additional syndicated financings. Such is Gulf International Bank's record since we began actively syndicating loans in April, 1978. An auspicious start.

Without, however, the confidence of our customers and of our friends in the international banking community, we could not have achieved this.

Owned directly by the Governments of Bahrain, Iraq, Kuwait, Qatar, Saudi Arabia, The Sultanate of Oman and The United Arab Emirates, Gulf International Bank started operations in December 1978 and today has assets in excess of US\$700 million. Our syndication team at present consists of Peter B. Rae, Vice President, Ossama Nassar, Manager and Christopher Shawyer, Manager.

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